

NLS BAR FINALS · REVISION SERIES

MIDE'S GUIDE TO CORPORATE LAW PRACTICE

Directors · Shares · Debentures · Restructuring · Winding Up · Corporate Governance · ISA 2025
Updated to reflect ISA 2025 · Nigeria Tax Reform 2025 · BFA 2023

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Compiled for students of the Nigerian Law School. For educational purposes only. Not a substitute for official study materials. In any conflict between this guide and official materials, official materials prevail. ISA 2025 and Nigeria Tax Reform 2025 updates are flagged throughout.

How to Use This Guide

This guide covers the highest-frequency topics in the Corporate Law Practice Bar Finals paper. It is built on the Easyread CLP notes and updated to reflect the Investment and Securities Act 2025, the Nigeria Tax Reform Acts 2025, and the Business Facilitation Act 2023 amendments to CAMA 2020.

LEGISLATIVE UPDATE 2025

Three pieces of legislation materially change the corporate law landscape covered in this paper: (1) Investment and Securities Act 2025 — signed 31 March 2025, replaces ISA 2007 entirely; (2) Nigeria Tax Reform Acts 2025 — signed 26 June 2025, effective 1 January 2026; (3) Business Facilitation Act 2023 — already incorporated into your course notes where flagged as 'innovation by BFA.' Updates from ISA 2025 and the Tax Reform Acts are marked with a green box throughout this guide.

Three things separate the high-scoring CLP candidate from the rest: (1) they know which resolution type applies to which corporate action — ordinary vs special is tested in almost every sitting; (2) they can identify the correct restructuring option from keywords in the scenario — moribund vs financial difficulty, internal vs external; (3) they know the ISA 2025 changes — digital assets, exchange categories, IST composition, and the SEC/FCCPC merger authority split.

—a

THE MASTER DIAGNOSTIC MAP

Resolution Type · Restructuring Trigger · Key Timeframes

Before writing any CLP answer, run this map. The examiner will tell you whether the company is in financial difficulty or moribund, how many companies are involved, and what action is being proposed. Those three determine which restructuring option applies and which resolution is needed.

Ordinary Resolution — When Used	Special Resolution — When Used
Appointment/removal of directors Appointment/removal of auditors Increase in share capital Management buyout agreement (BOD level) Winding up where articles specify the date/period Appointment of liquidator	Change of name Change of registered address Change of object clause Conversion of company Reduction in share capital Arrangement and compromise (75% threshold) Management buyout (member level) Winding up (all other instances) Merger (51% from targeted companies)
Restructuring — Financial Difficulty	Restructuring — Moribund State
Internal (1 company): Arrangement and compromise · Reduction in share capital · Management buyout External (2+ companies): Merger · Takeover bid (ISA) · Takeover offer (CAMA) · Acquisition	Internal (1 company): Arrangement on sale External (2+ companies): Purchase and assumption · Cherry picking

THE THING MOST CANDIDATES MISS

Takeover BID is regulated by ISA and targets 30–50% of the targeted company. Takeover OFFER is regulated by CAMA and targets 90% of the targeted company. Acquisition targets LESS than 30%. These thresholds are tested every time restructuring appears in the paper.

CHAPTER 1

CAC RETURNS & CORPORATE CHANGES

Timeframes · Documents · Forms

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

CAC returns questions test whether you know the correct timeframe, the correct form, and the correct documents for each type of corporate change. The examiner often embeds them in scenario questions about directors, share capital, or company name.

Returns to CAC — Timeframes at a Glance

Return	Timeframe
Copy of resolution	15 days
Notice of increase in share capital	15 days
Returns of allotment (Form CAC 5)	15 days (BFA innovation — reduced from 1 month)
Notice of change of name	15 days
Notice of change of registered address	15 days
Notice of change of object clause	15 days
Statutory reports	14 days
Notice of removal of director	14 days
Notice of removal of secretary	14 days
Notice of removal of auditor	14 days
Notice of court order	14 days
Annual returns (Form CAC 19)	42 days after AGM
Annual reports — exempted companies (Form CAC 22)	42 days after AGM
Register of charges (debenture) — Form CAC 9	90 days
Notice of persons with significant control (PSC)	1 month

Notice of change of PSC	1 month
Filing of accounting records after liquidation	7 days

Documents for Key Corporate Changes

Change	Key Documents	Key Form
Change of name	Special resolution; Form CAC 3; altered MOA; altered AOA; certificate of incorporation; prescribed fees	CAC 3
Change of registered address	Special resolution; altered MOA; altered AOA; prescribed fees	—
Change of object clause	Special resolution; court order (if any); altered MOA; altered AOA; prescribed fees	—
Conversion of company	Special resolution; Form CAC 4; certificate of incorporation; altered MOA; altered AOA; balance sheet; declaration signed by ≥ 2 directors; prescribed fees	CAC 4
Increase in share capital	Ordinary resolution; notice of increase; Form CAC 5 (returns of allotment); altered MOA; altered AOA; prescribed fees	CAC 5
Reduction in share capital	Scheme of reduction; special resolution; altered MOA; altered AOA; prescribed fees	—
Removal of auditor	Ordinary resolution; notice of removal; prescribed fees	—
Removal of director	Ordinary resolution; Form CAC 7B (change of director); Form CAC 7A (removal of director); prescribed fees	CAC 7A, 7B
Removal of secretary	Form CAC 8A (within 14 days)	CAC 8A

Persons with Significant Control (PSC)

A PSC is a person who exercises significant ownership or control over a company. Companies must maintain a PSC register and report changes to CAC within 1 month. This requirement was introduced by CAMA 2020 to enhance corporate transparency and is tested in questions about corporate compliance obligations.

THE THING MOST CANDIDATES MISS

Returns of allotment must now be filed within 15 DAYS using Form CAC 5 — this was reduced from 1 month by the Business Facilitation Act 2023. The exam will test the new figure. Writing '1 month' or '30 days' loses the mark.

CHAPTER 2

DIRECTORS

Types · Appointment · Removal · Duties · Key Timeframes

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Directors questions are the most reliably tested area in CLP. The examiner focuses on types of directors, the removal procedure with its specific timeframes, and the distinction between shadow/life directors and ordinary directors.

Types of Directors

Type	Key Characteristics
Shadow Director	Directors to whom other directors are accustomed to take instructions. NOT subject to retirement by rotation. Removed by members at general meeting only
Life Director	NOT subject to retirement by rotation. Removed by members at general meeting only
Chairman of the Board	Presides over board and general meetings. Replaced after 5 minutes late at board meeting; after 1 hour late at general meeting
Managing Director (MD/CEO)	Dual capacity: employee (daily affairs, entitled to remuneration) and alter ego (chief executive). Removed by BOD — effect: remains a director. Removed by members — loses both MD and director positions
Executive Director	Dual capacity: employee and alter ego. NOT the CEO. Entitled to remuneration
Non-Executive Director	No portfolio — attends meetings only. Paid out-of-pocket expenses. Remuneration only if stated in the Articles of Association
Nominee Director	Company appointed as a director in another company; nominates a person to attend meetings on its behalf
Alternate Director	Appointed to represent absent directors. Conditions: (1) must be in the Articles of Association; (2) instrument of appointment signed by ≥2 directors
Casual Director	Appointed by the Board to fill vacancies
De Facto Director	Pretends to be a director. Personally liable unless act ratified by BOD
Independent Director	Must have no business or family relationship within 2 years before appointment. Public companies must have ≥1/3 of directors as independent directors (BFA innovation)

Number of Directors

Minimum: 2 directors (except small private companies). Maximum: determined by the Articles of Association. Where directors drop below 2: (1) appoint another within 1 month; or (2) cease to do business (state of moribund). Any member aware that the company operates with 1 director after 60 days is personally liable.

Procedure for Removal of Director

1. Special notice sent to the board of directors at least 28 days before the meeting
2. Notice sent to the director concerned to make a representation within 7 days
3. Membership notice sent to members at least 21 days before the meeting
4. At the meeting: members pass an ordinary resolution
5. At close of meeting: company secretary sends to CAC: (a) copy of ordinary resolution; (b) Form CAC 7A (notice of removal); (c) Form CAC 7B (notice of change of director — CAMA innovation); (d) evidence of payment of prescribed filing fees

Post-procedure: alter register of directors; register of director shareholding; register of director residential address; file to CAC.

Notice of First Board Meeting — Draft

[COMPANY LETTERHEAD]

NOTICE OF FIRST MEETING OF THE BOARD OF DIRECTORS

TAKE NOTICE that the first meeting of the Board of Directors of [Company Name] will be held at [address] on the ____ day of ____ 2025 at ____ o'clock.

AGENDA:

1. Receiving and adopting the certificate of incorporation
2. Adoption of the company seal
3. Appointment of chairman
4. Appointment of managing director
5. Appointment of company secretary
6. Appointment of first auditor
7. Appointment of legal practitioner
8. Appointment of accountant
9. Fixing the date for statutory meeting (public company)

Dated this ____ day of ____ 2025.

BY ORDER OF THE BOARD

[Name]
Company Secretary

■ THE THING MOST CANDIDATES MISS

Shadow directors and life directors are NOT subject to retirement by rotation — they can only be REMOVED by members at a general meeting. At the first AGM, ALL other directors retire. At subsequent AGMs, 1/3 (nearest to 1/3) retire by FIFO — first appointed, first to retire.

CHAPTER 3

COMPANY SECRETARY & AUDITORS

Appointment · Duties · Removal · Audit Committee

Appeared in Bar Finals: 2009, 2010, 2012, 2013, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Company Secretary

Every company must have a company secretary — except small private companies. For private companies: no professional qualification required. For public companies: the secretary must be a chartered accountant or their firm; a legal practitioner or their firm; a chartered secretary or their firm; or a person who has been a company secretary for at least 3 years before appointment.

Duties Before Meeting	Duties During Meeting	Duties After Meeting
Prepare notice of meeting Serve notice of meeting Inspect and prepare venue Take to meeting: minutes of previous meeting; copy of CAMA; Articles of Association; attendance register; copy of MOA	Check time chairman steps in Record present and absent Count members to determine quorum Take record of proceedings in minutes	Ensure minutes signed by chairman only (authenticated copy) Send relevant documents to CAC

Removal of Company Secretary

Private Company	Public Company
BOD may hire or fire without notice Procedure: BOD passes resolution; copy of Form CAC 8A sent to CAC within 14 days	Removal requires notice of intention containing: (a) intention to remove; (b) reason for removal; (c) right to make representation within 7 days; (d) option to resign within 7 days If secretary fails to acknowledge: removed If representation made: BOD decides — minor offence → suspension; serious offence → removal If suspended: notice to members at general meeting If members ratify suspension: secretary is removed from date of suspension, NOT date of ratification

Auditors

First auditors: appointed by the BOD. Subsequent auditors: appointed by members at the AGM by ordinary resolution. Not qualified to be auditors: agents of the company; members of the company. An auditor must be independent.

Procedure for removal of auditor: (1) special notice to BOD at least 28 days before meeting; (2) notice of meeting to members at least 21 days; (3) ordinary resolution at the meeting; (4) company secretary sends to CAC: copy of ordinary resolution, notice of removal within 14 days, evidence of prescribed fees.

Audit Committee (CAMA 2020 innovation): 5 members total — 3 members (of the company) and 2 non-executive directors.

■ THE THING MOST CANDIDATES MISS

The company secretary of a private company can be fired without notice — BOD simply passes a resolution. For a public company, the full notice-of-intention procedure applies. Getting the notice requirement wrong for the wrong type of company costs marks every time this topic is examined.

CHAPTER 4

COMPANY SECURITIES

Shares · Debentures · Collective Investment Schemes · Bonds · ISA 2025 Updates

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

ISA 2025 — MAJOR UPDATE TO THIS CHAPTER

The Investment and Securities Act 2025 (signed 31 March 2025) repeals ISA 2007 entirely. Key changes affecting this chapter: (1) Virtual and digital assets — including cryptocurrency, NFTs, and digital currencies — are now expressly recognised as 'securities' under ISA 2025 for the first time; (2) Securities exchanges are now classified as Composite (lists/trades all categories) or Non-Composite (mono exchange focused on one type, or alternative trading system); (3) Cash transactions are now completely PROHIBITED in the Nigerian capital market — all transactions must be traceable digitally; (4) Companies wishing to offer Nigerian securities on foreign capital markets must first obtain SEC approval; (5) Ponzi schemes are expressly criminalised — Section 196 ISA 2025 prescribes up to 10 years imprisonment and a minimum fine of ₦20 million, with SEC empowered to issue freezing and forfeiture orders.

Laws and Regulatory Bodies

Laws Governing Company Securities	Regulatory Bodies
CAMA 2020 Investment and Securities Act 2025 (replaces ISA 2007) SEC Rules and Regulations Nigerian Stock Exchange Listing Rules	Corporate Affairs Commission (CAC) Securities and Exchange Commission (SEC) — apex capital market regulator; independent under ISA 2025 Nigerian Exchange Group (NGX) Central Securities Clearing System (CSCS) — responsible for dematerialisation of share certificates

Key Terms in Company Securities

Term	Definition
Prospectus	Instrument used to advertise shares or securities to be offered to the public. Must be registered with SEC before use. Three types: (1) Deemed Prospectus — full information; used by private and public unquoted companies; (2) Abridged Prospectus — basic information; used by public quoted companies; (3) Statement in Lieu of Prospectus — prepared before the prospectus is ready
IPO	Initial Public Offer — first time a company offers shares to the public
Rights Issue	Issues made to existing members only; members expected to pay for them

Bonus Issue	Issues made to existing members only; paid by the company from the Share Premium Account
Hybrid Issue	Combination of IPO and rights issue
Pre-emptive Right	Right of first offer to existing members on newly issued shares — must be accepted within 21 days, failing which the offer is declined (CAMA innovation). Now applies to PRIVATE companies only — BFA 2023 removed this right from public companies
E-Dividend Warrant	Instrument used to pay dividends electronically (SEC innovation)
Dematerialisation	Conversion of share certificate to electronic form — managed by CSCS Limited
Capital Gearing	Measurement of ordinary vs preference shares. Low gearing: ordinary > preference. Medium: equal. High gearing: preference > ordinary
Call on Shares	BOD call to holders of unpaid shares — must be responded to within 14 days
Lien on Shares	Company withholds all benefits on unpaid shares

Types of Shares

Type	Key Rules
Preference Shares	Liability limited to shares. Extra voting rights on: rights of preferential shareholders; issues arising from preferential shares; appointment of auditor; winding up. First in line for dividend payment
Ordinary Shares	Burden bearers of the company. Second in line for dividend payment
Deferred Shares	Issued to promoters of the company. Usually sold at less than nominal value. Also called founder shares. Last in line for dividend payment

Modes of Acquiring Shares

Mode	Key Rules
By Subscription	While company is yet to be incorporated. Subscribers' names entered into MOA. Upon incorporation: must be transferred to register of members within 28 days
By Allotment	Upon incorporation — offering shares to the public or privately. Share certificate issued within 2 MONTHS of allotment. Returns of allotment filed to CAC on Form CAC 5 within 15 DAYS
By Transfer	Between existing members. Instrument: deed of transfer (can now be electronic — CAMA innovation). Parties: transferor and transferee. Share certificate issued within 3 MONTHS of transfer
By Transmission	Upon death of shareholder. Documents: letter of request; death certificate; probate or letters of administration; will if any; any other requested document

Letter of Allotment — Draft

[COMPANY LETTERHEAD]

[Registration Number]

[Address]

[Allottee Name]

[Allottee Address]

Dear Sir/Ma,

LETTER OF ALLOTMENT OF SHARES

I am pleased to inform you that your application for the allotment of ₦[amount] of [number] ordinary shares of ₦[nominal value] each in the company has been allotted to you.

You may renounce all or any of the shares in favour of another by filling up the accompanying letter of renunciation, on the understanding that you are still liable to pay all sums due on the shares should any of your nominees fail to do so.

Yours faithfully,

Company Secretary

Letter of Regret — Draft

[COMPANY LETTERHEAD]

[Registration Number]

[Address]

[Applicant Name]

[Applicant Address]

Dear Sir/Ma,

LETTER OF REGRET

I regret to inform you that the directors were unable to allot you any shares in the above company, and I enclose herewith a cheque for ₦[amount] being the amount paid by you on application.

Kindly fill up and return the annexed form of receipt.

Yours faithfully,

Company Secretary

Debentures

Debentures are created whenever a company obtains a loan. The company is the borrower; the public or selected lenders are the creditors.

Form	Key Feature
Single Debenture	Loan from a selected few. Instrument: deed of mortgage
Debenture Stock	Loan from the general public. Instrument: debenture trust deed

Type	Key Feature
Perpetual (Irredeemable) Debenture	No redemption date, or redemption subject to an event
Redeemable Debenture	Has a definite redemption date
Secured Debenture	Created with security: fixed charge (landed property) or floating charge (chattels)
Unsecured (Naked) Debenture	No security
Convertible Debenture	Created with an agreement to convert to shares

Steps in creating debentures: (1) BOD passes a resolution; (2) documents prepared; (3) documents perfected (consent, stamping, registration); (4) registered with CAC on Form CAC 9 within 90 days. Failure to register: debenture is void against the creditor and the liquidator. Discharge: Form CAC 10 (memorandum of satisfaction).

THE THING MOST CANDIDATES MISS

Share certificates for ALLOTMENT must be issued within 2 MONTHS. Share certificates for TRANSFER must be issued within 3 MONTHS. Debentures must be registered within 90 DAYS (Form CAC 9). These three distinct timeframes are tested in almost every securities question and candidates regularly mix them up.

CHAPTER 5

CORPORATE RESTRUCTURING*Internal vs External · Financial Difficulty vs Moribund · All Six Options*

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Restructuring is the most conceptually complex topic in CLP. The examiner first tests whether you can identify the correct option from the scenario, then tests the procedure. Two keywords to spot: 'financial difficulty' (company is struggling but alive) and 'moribund' (company is essentially dead). Two further questions: is it internal (one company) or external (two or more companies)?

Classification of Restructuring Options

Internal Restructuring (1 company)	External Restructuring (2+ companies)
Financial difficulty: • Arrangement and compromise • Reduction in share capital • Management buyout Moribund: • Arrangement on sale Note: where another company is a nominee (has shares) in the company facing restructuring, it is still considered 1 company — still internal	Financial difficulty: • Merger • Takeover bid (ISA) • Takeover offer (CAMA) • Acquisition Moribund: • Purchase and assumption • Cherry picking

Arrangement and Compromise

Internal · Financial difficulty · Purpose: debt restructuring. Keywords: creditor; going concern; concerned members; debt restructuring.

1. BOD prepares scheme of arrangement
2. Company applies to FHC to order the meeting
3. Notice of meeting + scheme sent to concerned members or creditors at least 21 days
4. Members pass special resolution approving scheme (at least 75%)
5. Approved scheme sent to FHC for sanctioning
6. Before sanctioning, FHC sends scheme to SEC for investigation
7. Once sanctioned, scheme registered with CAC — becomes binding on registration

Reduction in Share Capital

Internal · Financial difficulty · Must be provided for in the Articles of Association.

1. BOD prepares scheme of reduction
2. Notice of meeting + scheme sent to members at least 21 days
3. Members pass special resolution (at least 75%)
4. Dissenting members notify company within 28 days
5. Scheme sent to FHC for sanctioning

6. Relevant documents sent to CAC: scheme of reduction; special resolution; notice of court order; altered MOA and AOA; prescribed fees

Management Buyout (MBO)

Internal · Financial difficulty · Purpose: management team acquires the shares of other members.

1. BOD prepares MBO agreement
2. BOD passes ordinary resolution approving MBO agreement
3. Notice of meeting + MBO agreement sent to members at least 21 days
4. Members pass special resolution approving MBO agreement
5. Company sends to SEC: ordinary resolution; special resolution; MBO agreement; certificate of incorporation; MOA; AOA; trust deed (if any); any other document required by SEC

Arrangement on Sale

Internal · Moribund · Purpose: liquidator appointed to sell company assets to interested parties.

Keywords: moribund; liquidator; statutory declaration of solvency; winding up.

1. BOD prepares statutory declaration of solvency 5 weeks preceding the meeting
2. Notice of meeting sent to members at least 21 days
3. Members pass special resolution appointing liquidator to sell assets
4. Dissenting members notify liquidator within 30 days
5. Liquidator has two options: (a) cease the arrangement on sale; (b) negotiate with dissenting members (for foreigners, negotiate with SEC)
6. Liquidator calls a meeting to render account
7. Notification sent to CAC

Merger

External · Financial difficulty · Amalgamation of 2 or more companies to form a new company or merge into an existing one. Requires at least 51% from the targeted companies. Regulated by the Federal Competition and Consumer Protection Act 2018 (FCCPA). For banks: also notify CBN and NDIC. For incorporated trustees: regulated by CAMA 2020.

ISA 2025 — MERGER AUTHORITY UPDATE

Under ISA 2025 (signed 31 March 2025), SEC has been designated as the primary regulatory authority for approving mergers and acquisitions involving PUBLIC COMPANIES. FCCPC retains jurisdiction over competition aspects of all mergers regardless of company type. For a public company merger: DUAL AUTHORITY applies — SEC leads on the transaction approval; FCCPC retains oversight on competition implications. This replaces the prior position where FCCPC was the sole approval body. The examiner is likely to test this distinction directly.

Small Merger	Large Merger
Combined threshold determined by FCCPC (1) Need not notify FCCPC on commencement (2)	Combined threshold determined by FCCPC (1) Notify FCCPC on commencement (2) Notify trade

Notify FCCPC within 6 months of commencement (3) Publish in at least 1 national daily within 5 days of commencement (4) FCCPC notifies merging company within 20 working days (not exceeding 40): approval / revocation / approval in principle (if FCCPC fails to decide within 40 days) (5) Notify FHC to sanction (6) Notify CAC	union of employees (3) Advertise in at least 1 national daily for at least 5 days (4) FCCPC notifies merging company within 60 working days: approval / revocation / approval in principle (if FCCPC exceeds 60 days) (5) Notify FHC to sanction (6) Notify CAC
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Notification threshold: combined assets/turnover of at least ₦1 billion, or targeted company with at least ₦500 million — notify FCCPC.

Takeover — Bid vs Offer

Takeover BID (ISA)	Takeover OFFER (CAMA)
Regulated by ISA 2025 (previously ISA 2007) Only public quoted companies Acquiring company targets 30%–50% Individuals may participate Effect: targeted company becomes subsidiary	Regulated by CAMA 2020 Any company Acquiring company targets at least 90% Only companies, nominees or subsidiaries may participate Two types: (1) Hostile — s.712 CAMA; (2) Friendly — s.713 CAMA

Feature	Hostile Takeover Offer (s.712)	Friendly Takeover Offer (s.713)
Target threshold	At least 90% (EXCLUDING nominees/subsidiaries in calculation)	At least 90% (INCLUDING nominees/subsidiaries in calculation)
Post-acquisition notice	4 months after acquiring 90%: send notice to remaining 10% members within 2 months	1 month after acquiring 90%: send notice to remaining 10% members within 3 months
Surrender of shares	Court makes order for compulsory acquisition within 1 month of notice	Members surrender shares within 3 months of notice

Acquisition: External · Financial difficulty · Acquiring company targets LESS THAN 30% (29% and below).
 Cherry Picking: External · Moribund · Acquirer selects only assets that fit its objectives. Purchase and Assumption: External · Moribund · Assets acquired through auction sale sanctioned by FHC; estate valuer appointed.

■ THE THING MOST CANDIDATES MISS

Hostile takeover EXCLUDES nominees in computing 90%. Friendly takeover INCLUDES nominees. These are opposite rules and the examiner tests them together. Getting them reversed costs all the marks for the takeover question.

CHAPTER 6

MAJORITY RULE & MINORITY PROTECTION

Foss v Harbottle · Members Direct Action · Derivative Action · Winding Up

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

The general rule is that the majority controls company affairs and the court will not interfere — *Foss v Harbottle*. Minority protection is only available where a wrong has been committed.

Five Options Available to the Minority

Option	When It Applies
Members' Direct Action	Wrong committed against MEMBERS — e.g. failure to send notice of meeting; failure to pay declared dividends; failure to count quorum. Application: originating summons at FHC
Derivative Action	Wrong committed against THE COMPANY — e.g. ultra vires acts; company created for illegal purpose; director misappropriates company funds; company sponsors a political campaign; ordinary resolution passed where special resolution is required. Application: originating summons at FHC; leave of court required
Investigation by CAC	Application by those holding at least 1/10 of share capital (CAMA innovation), or 1/10 of members where no share capital (company limited by guarantee)
Unfairly Prejudicial/Oppressive Conduct	Where members are discriminated against; or where the act is against public interest (CAC can petition on this ground). Application: petition at FHC
Winding Up on Just and Equitable Grounds	See Chapter 7

Derivative Action — Conditions for Leave

- The wrong is against the company
- Directors have been informed of the wrong
- Directors have failed to take the necessary steps
- The applicant acted in good faith
- The applicant acted in the best interest of the company

Once derivative action is granted, the style of cause becomes: e.g. *Savanna Bank Plc v Savanna Bank Plc*. Who may bring it: every member; former members; directors; former directors; creditors (debenture holders); personal representatives of members; CAC.

■ THE THING MOST CANDIDATES MISS

Members' direct action = wrong against MEMBERS (e.g. no notice of meeting). Derivative action = wrong against THE COMPANY (e.g. director misappropriates company funds). Confusing these two is the most common minority protection error. The type of wrong determines the mechanism — not the person bringing the action.

CHAPTER 7

WINDING UP & CORPORATE INSOLVENCY

Compulsory · Voluntary · CVA · Administration · Dissolution

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Types of Winding Up

Compulsory Winding Up	Voluntary Winding Up
Grounds: (1) special resolution to wind up compulsorily; (2) membership drops below 2 (except small private companies); (3) public company fails to hold statutory meeting or deliver statutory report; (4) unable to pay debt upon demand for 3 weeks; (5) condition precedent upon which company was set up no longer exists; (6) just and equitable. Commences: (a) where ground is special resolution — at the time resolution is passed; (b) all other grounds — upon presentation of petition at FHC (s.578 CAMA; <i>Mercantile Bank v Nwabude</i>) Dissolution: once FHC makes dissolution order, liquidator notifies CAC within 14 days	Two types: (1) Members' Voluntary: BOD prepares statutory declaration of solvency (5 weeks before meeting; states company can pay debts within 12 months; signed by majority of directors; contains assets and liabilities). Resolution: ordinary if AOA specifies date; special in all other cases (2) Creditors' Voluntary: BOD fails to prepare statutory declaration of solvency. Creditors take over. Liquidator becomes receiver manager, prioritising creditors

Effect of Winding Up

A company under winding up proceedings has NOT died — it is still alive, though comatose. A company DIES upon its dissolution — *CS (Nig.) Plc v Mbakwe*. On a winding up order: (1) all actions/proceedings against the company require leave of court; (2) employees automatically laid off; (3) any disposition of company property or transfer of shares after commencement is void; (4) directors' power to run the company ceases — s.580 CAMA.

Principal Officers in Winding Up

Officer	Role
Official Receiver	Deputy Chief Registrar(s) of the FHC — s.485 CAMA
Liquidator	Appointed by members at general meeting in winding up proceedings — s.585 CAMA
Provisional Liquidator	Appointed by the court where members fail to appoint a liquidator
Receiver	Appointed by secured creditors under the power in the debenture instrument

Receiver Manager	Takes over management of company affairs to stabilise it, pay off creditors, then hand back to members
Special Manager	Appointed by the Official Receiver (who appoints one whenever he becomes a liquidator)

Company Voluntary Arrangement (CVA) vs Company Administration

CVA	Company Administration
Used BEFORE insolvency — preventive measure Directors REMAIN in control Objective: restore profitability BINDS unsecured creditors who do not consent; does NOT bind secured creditors who do not consent Limited court involvement: Insolvency Practitioner submits report to FHC within 28 days of proposal Members and creditors meet SEPARATELY Challengeable on unfair prejudice or material irregularity Duration: agreed period	Used when company is OFFICIALLY INSOLVENT but viable Administrator TAKES OVER management Objective: rescue company as going concern Moratorium — no legal actions against company without court permission or administrator consent Full court involvement — administrator is officer of the court Notice of appointment published at CAC within 14 days Administrator prepares schedule of assets within 60 days Duration: 12 months (extendable by court or secured creditor consent)

■ THE THING MOST CANDIDATES MISS

A CVA does NOT bind secured creditors who do not consent. Company administration imposes a moratorium that affects ALL legal actions. In CVA the directors retain control. In administration the administrator takes over. These distinctions appear every time insolvency is examined.

CHAPTER 8

CORPORATE GOVERNANCE

Legal Framework · Theories · Codes · Whistleblowing · Board Duties

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Legal Framework for Corporate Governance

International Level	Local Level (Nigeria)
OECD Principles of Corporate Governance 2004 UK Combined Code on Corporate Governance 2007 EU Combined Code on Corporate Governance 2011 USA Sarbanes-Oxley Act 2002 UN Global Compact Business Human Rights 2011	Nigerian Code of Corporate Governance 2018 — issued by FRCN (principal national framework) Code for Banks and Discount Houses 2014 — issued by CBN Code for Public Companies 2011 — issued by SEC Code for Insurance Industry 2009 — issued by NAICOM Code for Licensed Pension Fund Operators 2008 — issued by PENCOM Code for Telecommunication Industry 2016 — issued by NCC

NCCG 2018 — PRINCIPAL FRAMEWORK

The Nigerian Code of Corporate Governance 2018 (NCCG 2018) issued by the Financial Reporting Council of Nigeria (FRCN) is now the principal national corporate governance framework and supersedes older sector codes as the general framework. It applies to public companies, private companies, not-for-profit organisations, and public interest entities. Candidates should cite NCCG 2018 as the lead framework when asked about Nigerian corporate governance generally, with sector-specific codes applying in addition to it within their respective industries.

Three Theories of Corporate Governance

Theory	Core Idea
Agency/Shareholder Theory	Shareholders are the principal; BOD and management are agents. Shareholders provide capital; management provides expertise. The board should act in shareholders' best interests
Stakeholder Theory	Expands beyond shareholders — employees, suppliers, customers, and other stakeholders are recognised. Emphasises ethical practices and corporate social responsibility
Stewardship Theory	Managers are honest and will do what is best for the company without needing monitoring. Trusts leaders to act with integrity and put company needs first

Six OECD Principles of Corporate Governance

1. Establish the foundation for robust corporate governance structures
2. Uphold fair treatment for all shareholders
3. Recognise the rights of shareholders and their role in ownership
4. Prioritise disclosure and transparency in corporate operations
5. Acknowledge the involvement of stakeholders in governance processes
6. Define and uphold the responsibilities of the Board of Directors

NCC Code 2016 — Board Composition and Committees

Applies to licensed operators meeting: (1) operations spanning minimum 2 geopolitical zones; (2) turnover exceeding ₦1 billion; (3) subscriber base of 500,000 or more. Compliance is mandatory with sanctions for non-compliance and a reward scheme for compliance.

Board composition: not less than 5 members for large telecoms companies; majority must be non-executive directors; minimum 2 executive directors and at least 1 independent director. Chairman and MD/CEO must be separate individuals. No director may serve on more than 2 committees. Directors must attend at least 3/4 of all board and committee meetings to qualify for re-election.

Three mandatory board committees: (1) Audit and Risk Management Committee; (2) Governance Committee; (3) Nomination and Remunerations Committee. The board chairman and MD/CEO are prohibited from chairing or being members of any committee.

No person may serve as a director in more than THREE companies within the communications sector.

■ THE THING MOST CANDIDATES MISS

The board chairman and MD/CEO must be TWO SEPARATE INDIVIDUALS under the NCC Code 2016. The chairman runs board matters; the MD/CEO runs the company. No person may serve on more than TWO board committees. These are the most-tested features of the telecoms governance code.

CHAPTER 9

CORPORATE LITIGATION

Courts · Tribunals · IST · FCCPC · CCPT · Jurisdiction

Appeared in Bar Finals: 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024

Cause of Action	Forum	Key Rules
Issues arising from CAMA	Federal High Court Administrative Proceedings Committee of CAC	APC: regulated by CAMA; chairman is Registrar-General of CAC; secretary must be LP with ≥10 years post-call; civil jurisdiction only; quorum: 4 members; jurisdiction covers: conflict of company names, removal of directors, share issues of private companies; decisions approved by the board; appeals lie to FHC
Trading at the stock market / securities	Investments and Securities Tribunal (IST) Administrative Proceedings Committee of SEC	IST under ISA 2025: civil jurisdiction only; chairman must be LP with ≥10 years post-call; chairman: 5 years tenure; other members: 4 years; composition NOW 12 MEMBERS (up from 10 under ISA 2007 — ISA 2025 change); quorum: 3 members; no wig and gown required; must complete proceedings within 3 months; decision registered at FHC; appeals to Court of Appeal within 30 days; IST now has jurisdiction over digital asset disputes and expanded SEC-regulated activities
Labour disputes	National Industrial Court	—
Commercial disputes	State High Court / FCT High Court	—
Unfair competition and mergers	FCCPC Competition and Consumer Protection Tribunal (CCPT)	FCCPC: 8 members (1 chairman, 1 vice chairman, 2 executive, 4 non-executive) from 6 geopolitical zones; VC sees to daily affairs; jurisdiction: mergers, unfair competition, untested goods; appeals to CCPT CCPT: court of appellate jurisdiction; 7 members, quorum 3; chairman must be LP with ≥10 years post-call, appointed by President confirmed by Senate; petitions registered at FHC for enforcement; appeals to Court of Appeal

ISA 2025 — IST COMPOSITION UPDATE

The Investments and Securities Tribunal has been expanded from 10 to 12 members under ISA 2025. The IST's jurisdiction has also been expanded to cover disputes arising from digital asset transactions and other activities now regulated by SEC under ISA 2025. The IST also has new original jurisdiction to address delays or inaction by the SEC itself — previously outside its remit.

■ THE THING MOST CANDIDATES MISS

Appeals from the IST lie to the COURT OF APPEAL — not the Federal High Court. The IST's decision is REGISTERED at the FHC but appeals go to the Court of Appeal within 30 days. Candidates confuse registration with appeal route.

TWENTY WAYS CANDIDATES LOSE EASY MARKS

Read This the Night Before the Exam

These are the marks dropped by prepared candidates who moved too fast, applied the wrong threshold, or confused two structurally similar procedures.

Mistake	The Correct Answer
1. Returns of allotment — wrong timeframe	Returns of allotment (Form CAC 5) must be filed within 15 DAYS of allotment — reduced from 1 month by the Business Facilitation Act 2023. Writing '1 month' or '30 days' is wrong.
2. Takeover bid vs takeover offer — thresholds	Takeover BID (ISA): 30%–50% target. Takeover OFFER (CAMA): 90% target. Acquisition: below 30%. These three are the most consistently confused figures in the entire paper.
3. Hostile vs friendly takeover offer — nominee inclusion	Hostile takeover offer: compute 90% EXCLUDING nominees/subsidiaries. Friendly takeover offer: compute 90% INCLUDING nominees/subsidiaries. These rules are opposite and both are tested.
4. Shadow/life directors — not subject to retirement	Shadow directors and life directors are NOT subject to retirement by rotation. They can ONLY be removed by members at a general meeting. Writing 'retire at the first AGM' for a shadow director is wrong.
5. Resolution type — wrong resolution for wrong action	Removal of directors: ORDINARY resolution. Change of name/registered address/object clause: SPECIAL resolution. Reduction in share capital: SPECIAL resolution (75%). Management buyout at BOD level: ORDINARY; at member level: SPECIAL. Getting the resolution type wrong is the most common CLP error overall.
6. ISA 2025 — SEC now leads on public company M&A	Under ISA 2025 (March 2025), SEC is the primary approval authority for mergers and acquisitions involving PUBLIC COMPANIES. FCCPC retains competition jurisdiction over ALL mergers. A public company merger now involves dual authority. Writing 'FCCPC only' for a public company merger is now incomplete.
7. IST composition — 12 not 10	Under ISA 2025, the Investments and Securities Tribunal has been expanded from 10 to 12 members. Writing '10 members' is wrong for any exam sitting after March 2025.
8. Digital assets are now securities	Under ISA 2025, virtual/digital assets including cryptocurrency, NFTs, and digital currencies are expressly recognised as securities. VASPs and digital asset exchanges now fall under SEC regulation. Any question about what constitutes a security must now include digital assets.
9. Share certificate timeframes	ALLOTMENT: share certificate within 2 MONTHS. TRANSFER: share certificate within 3 MONTHS. Debenture registration: 90 DAYS (Form CAC 9). These are three separate figures that are each tested individually.
10. Members' direct action vs derivative action	Wrong against MEMBERS → members' direct action. Wrong against THE COMPANY → derivative action. The type of wrong determines the

	mechanism, not who brings it. Applying derivative action to a wrong against members (or vice versa) is a fundamental error.
11. CVA does not bind secured creditors	A CVA binds ALL unsecured creditors who do not consent. It does NOT bind secured creditors who do not consent. In administration, the moratorium affects all legal actions. Treating CVA as binding on secured creditors is wrong.
12. Company administration — not the same as winding up	A company under administration has NOT been wound up and has NOT died. The moratorium protects it from legal action pending rescue. Winding up leads to dissolution. Candidates treat administration as equivalent to winding up.
13. MD removed by BOD vs removed by members	MD removed by BOD: remains a DIRECTOR. MD removed by members as a director: loses BOTH director and MD positions. These are two separate procedures with two separate effects.
14. Arrangement on sale — dissentients have 30 days	Dissentient members in an arrangement on sale must notify the liquidator within 30 DAYS. Candidates forget the dissentients' timeline entirely or cite the wrong period.
15. Large merger — notify FCCPC on commencement	For a LARGE merger: notify FCCPC ON COMMENCEMENT. For a SMALL merger: notify FCCPC within 6 MONTHS of commencement. Applying the small merger timeline to a large merger (or vice versa) loses those marks.
16. Merger notification threshold	Where combined assets/turnover is at least ₦1 BILLION, or the targeted company has at least ₦500 MILLION: notify FCCPC. Candidates forget this threshold or invert the figures.
17. Public company secretary removal — notice required	Public company secretary: cannot be fired without notice. The full notice-of-intention procedure applies. Private company secretary: no notice required — BOD simply passes a resolution. Applying the private company rule to a public company is wrong.
18. Chairman's lateness — different times	Chairman late at BOARD MEETING: replaced after 5 MINUTES. Chairman late at GENERAL MEETING: replaced after 1 HOUR. These are tested as a pair and candidates always get at least one wrong.
19. Pre-emptive rights — private companies only after BFA 2023	Pre-emptive rights on newly issued shares now apply to PRIVATE COMPANIES ONLY. The BFA 2023 removed this right from public companies. Writing that public company shareholders have pre-emptive rights is wrong after February 2023.
20. E-meetings — all companies after BFA 2023	All companies — public AND private — may now hold general meetings electronically. The BFA 2023 deleted the word 'private' from Section 240(2) CAMA 2020. Writing that only private companies can hold virtual meetings is wrong after February 2023.

KEY NUMBERS AT A GLANCE

Every Specific Figure in This Guide

CLP is dense with specific figures — timeframes, thresholds, percentages, and quorum numbers. The examiner tests them precisely and candidates drop these marks by confusing similar-sounding numbers.

Figure	What It Governs	Context
15 days	Copy of resolution; increase in share capital; change of name; change of address; change of object; returns of allotment (Form CAC 5 — BFA innovation)	CAC returns
14 days	Statutory report; removal of director; removal of secretary; removal of auditor; notice of court order; removal of secretary (Form CAC 8A)	CAC returns
42 days	Annual returns (Form CAC 19); annual reports — exempted companies (Form CAC 22)	CAC returns
90 days	Registration of debenture with CAC (Form CAC 9)	Debenture
1 month	Notice of persons with significant control (PSC); notice of change of PSC	CAC returns / PSC
7 days	Filing of accounting records after liquidation	Winding up
2 months	Share certificate issued after ALLOTMENT	Securities
3 months	Share certificate issued after TRANSFER	Securities
28 days	Special notice for removal of director/auditor sent to BOD; CVA report submitted to FHC	Directors / CVA
21 days	Membership notice before meeting (removal of director/auditor); notice of meeting for restructuring (arrangement and compromise, arrangement on sale, management buyout)	Directors / Restructuring
14 days	BOD call on shares must be responded to	Shares
28 days	Subscribers transferred to register of members on incorporation	Shares
21 days	Pre-emptive rights — must accept within 21 days (private companies only after BFA 2023)	Shares
6 months	First BOD meeting held within 6 months of incorporation	Directors
5 minutes	Chairman replaced at board meeting if late by 5 minutes	Directors

1 hour	Chairman replaced at general meeting if late by 1 hour	Directors
1 month	Appoint new director where directors drop below minimum (within 1 month)	Directors
60 days	Member aware company operates with 1 director after 60 days: personally liable	Directors
5 weeks	Statutory declaration of solvency prepared 5 weeks before meeting (members' voluntary winding up / arrangement on sale)	Winding up / Restructuring
12 months	Statutory declaration of solvency: company can pay debts within 12 months	Winding up
30 days	Dissentient members notify liquidator within 30 days (arrangement on sale)	Restructuring
30%–50%	Takeover bid target (ISA) — acquiring company must target 30%–50%	Restructuring
90%	Takeover offer target (CAMA) — acquiring company must target at least 90%	Restructuring
Below 30%	Acquisition target — acquiring company targets less than 30%	Restructuring
51%	Merger — requires at least 51% from targeted companies	Restructuring
75%	Special resolution threshold for arrangement and compromise and reduction in share capital	Restructuring
₦1 billion	FCCPC notification threshold — combined threshold of merging companies	Merger
₦500 million	FCCPC notification threshold — minimum assets of targeted company	Merger
20 working days	FCCPC notifies outcome of small merger (not exceeding 40 working days)	Merger
60 working days	FCCPC notifies outcome of large merger	Merger
6 months	Small merger: notify FCCPC within 6 months of commencement	Merger
5 days	Advertise merger in at least 1 national daily within 5 days of commencement	Merger
1/3	Minimum proportion of independent directors on public company board (BFA innovation)	Directors
1/10	Minimum share capital threshold for CAC investigation application	Minority protection
50%	Minimum membership for dissolution of incorporated trustees	Dissolution of IT

14 days	Liquidator notifies CAC after dissolution order	Winding up
3 months	IST must complete proceedings within 3 months	Corporate litigation
30 days	Appeal from IST to Court of Appeal within 30 days	Corporate litigation
5 years	IST chairman tenure	Corporate litigation
4 years	IST other members' tenure	Corporate litigation
12 members	IST composition under ISA 2025 (up from 10 under ISA 2007)	Corporate litigation — ISA 2025
3 members	IST quorum	Corporate litigation
4 members	APC of CAC quorum	Corporate litigation
10 years	Maximum tenure of a bank's MD under corporate governance principles	Corporate governance
₦100m turnover	Small company threshold under Nigeria Tax Act 2025 (up from ₦25m) — effective 1 January 2026	Tax Reform 2025
₦250m fixed assets	Additional small company condition under Nigeria Tax Act 2025	Tax Reform 2025
30%	Corporate CGT rate under Nigeria Tax Act 2025 (up from 10%) — effective 1 January 2026	Tax Reform 2025
4%	Development Levy on assessable profits of non-small companies under NTA 2025	Tax Reform 2025
10 years + ₦20m fine	Maximum penalties for Ponzi scheme operators under ISA 2025 s.196	ISA 2025
₦1 billion	Telecoms licensee turnover threshold for NCC Code 2016 to apply	Corporate governance
500,000	Telecoms licensee subscriber base threshold for NCC Code 2016	Corporate governance
3 companies	Maximum number of telecoms sector companies a person may direct under NCC Code 2016	Corporate governance
5 members	Audit committee — total (3 company members + 2 non-executive directors)	Auditors

A Final Word

Corporate Law Practice rewards methodical thinking and precise knowledge of figures. The examiner will give you a scenario — a company in financial difficulty, a director being removed, shares being transferred, a merger being proposed — and what he is really testing is whether you can identify the correct legal mechanism and execute the correct procedure.

The three things that separate strong CLP candidates from the rest:

- They know which resolution type applies to which action. Ordinary vs special is not a guess — it is a rule. Learn the complete list and never guess.
- They know the restructuring keywords. 'Financial difficulty' and 'moribund' point to different options. 'One company' and 'two companies' point to internal vs external. 'Takeover bid' and 'takeover offer' are different instruments under different statutes. The examiner uses these words deliberately.
- They know the ISA 2025 changes. Digital assets as securities, SEC as lead authority on public company M&A, IST expanded to 12 members, cash ban in the capital market — these will be tested.

Use this guide as your final pass. The Key Numbers table and the Twenty Ways chapter are your exam-eve targets. The Master Diagnostic Map at the front gives you the resolution type and restructuring classification before you write a single word of your answer.