A Webinar On

BENEFITS OF AMENDMENT OF THE COMPANIES ACT 1994
EASE OF DOING BUSINESS: GLOBAL RANKING

176
Year 2019

168
Year 2020
## COUNTRY WISE GLOBAL RANKING: 2020

<table>
<thead>
<tr>
<th>Region</th>
<th>Economy</th>
<th>Ease of doing business rank</th>
<th>Rank within group</th>
</tr>
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<tbody>
<tr>
<td>South Asia</td>
<td>Afghanistan</td>
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<td><strong>Bangladesh</strong></td>
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<td>Maldives</td>
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<td>India</td>
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<td>Asia Pacific</td>
<td>Cambodia</td>
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<tr>
<td></td>
<td>Vietnam</td>
<td>70</td>
<td>1</td>
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*Updated: 2020, The World Bank*
EASE OF DOING BUSINESS: SECTOR RANKING

Protecting Minority Investors: 151 (2019), 151 (2020)
1st Amendment: Companies Act 1994

12th February 2020

Company Common Seal Not Required

✓ Cost Saving
✓ Process Simplified
2nd Amendment: Companies Act 1994

26th November 2020

One Person Company (OPC)

Other Amendments
One Person Company (OPC)
Who can open OPC?

I want to open a company

I want to open a company

OPC
(One Person Company)
Can a LTD company open OPC?

OPC

(One Person Company)
OPC Incorporation

OPC Incorporation rules?

LTD company process is applicable
What is the capital threshold?

Minimum: BDT 25 Lacs

Paid-up Capital

Maximum: BDT 5 Crore
Prior year’s annual turnover

Minimum: BDT 1 Crore*

What about foreigners?

What if turnover reduce below 1 crore?

Maximum: BDT 50 Crore

* Pre incorporation year

What is the turnover requirement?
OPC Name

Company Name?

- Big Dream LTD
- Big Dream PLC
- Big Dream OPC

Big Dream OPC (Correct)

Big Dream LTD (Wrong)

Big Dream PLC (Wrong)
Only Natural Person can qualify as Nominee

ABC LTD/ABC PLC
OPC Nominee

Memorandum of Association
Nominee’s Personal Information

Nominee’s written consent

Articles of Association
Nominee replacement procedure
I want to change nominee

I do not want to be a nominee

He cannot be a nominee!

Owner can change nominee

Nominee can withdraw nomination

Incapable, unsound mind or dead person cannot be nominee
Welcome to half yearly director’s meeting
You will need to appoint AUDITORS as per Companies Act 1994
Your audited financial statements are ready!

I will sign the Financial Statements from the company. Thank You!
Do we need to file with registrar?

Submit signed audited FS within 180 days of year end to RJSC

Year End: 30-06-2021

Accounts Preparation & Audit

Submission to RJSC: 31-12-2021
I would like to open another OPC

Oh No! You can open only 1 OPC
I want to inject more capital along with my initial Tk. 5 crore

You can bring in more shareholders and convert it to Big Dream Ltd.
Changes of MOA & AOA - OPC

I want to change MOA

High Court Approval for MOA

I want to change AOA

Registrar of Joint Stock Companies (RJSC)
OPC Share Allotment

Interested Company

Interested Individual
OPC Share Transfer

100% transfer

Natural Person

Company

OPC Share Transfer
I want to liquidate

Existing winding up rules are applicable

New Owner
OPC Limited by Guarantee
“PLC”, “LTD”, “OPC” naming rule will not apply!
Comparison of OPC with LTD and PLC
Company Name

One Person Company

Private Limited Company

Public Limited Company

OPC

LTD

PLC
Capital Requirements

**OPC**
- **Minimum:** BDT 25,00,000
- **Maximum:** BDT 5 Crore

**LTD**
- **Minimum:** BDT 2
- **Maximum:** BDT 40 Crore

**PLC**
- **Minimum:** BDT 7
- **Maximum:** BDT Unlimited
## Shareholders and Directors

<table>
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<tr>
<th>Type</th>
<th>OPC</th>
<th>LTD</th>
<th>PLC</th>
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<tbody>
<tr>
<td>Member</td>
<td>1</td>
<td>2–50</td>
<td>7–Unlimited</td>
</tr>
<tr>
<td>Director</td>
<td>1</td>
<td>2–50</td>
<td>3–Unlimited</td>
</tr>
</tbody>
</table>
Board Meetings - Minimum

- **OPC**
  - Board Meeting: 2 times per year

- **LTD**
  - Board Meeting: 4 times per year

- **PLC**
  - Board Meeting: 4 times per year
Annual Return

- **OPC**
  - Filing: 180 days of year end

- **LTD**
  - Filing: 30 days of AGM

- **PLC**
  - Filing: 30 days of AGM
Audit & Filing Requirements

- OPC
  - Statutory Audit ✔
  - RJSC Filing ✔
  - Share Transfer ✔

- LTD
  - Statutory Audit ✔
  - RJSC Filing ✔
  - Share Transfer ✔

- PLC
  - Statutory Audit ✔
  - RJSC Filing ✔
  - Share Transfer ✔
Other Amendments
Signature Verification for Share Transfer

**Transfer of Shares**

- **Bangladeshi or Foreigner staying in Bangladesh**

To be Present in RJSC for Signature Verification

**TRANSFEROR**

- Can’t Appear in RJSC (Justified Reason)
  - Verification Through Commission

**or**
Signature Verification for Share Transfer

Transfer of Shares

Foreigner or Bangladeshi out of Bangladesh

Bangladeshi or Foreigner

TRANSFEROR

To be Present in RJSC for Signature Verification

Can’t Appear in RJSC (Justified Reason)

Verification Through Nearest Bangladeshi Embassy
Other Amendments (Meetings)

- **Place, time and date** must be mentioned in meeting notice and minutes of general meeting.

- Shareholders with 5% can present agenda for AGM.

- AGM to be called by minimum **21 days notice** instead of 14 days.
Other Amendments (Meetings) Cont’d

- Dividend approval
- Bonus shares
- Audit report approval
- Director’s and auditor’s report
- Director(s) retirement
- Auditor’s remuneration

**Will not be considered as agenda for EGM**

- Time and place for document inspection must be mentioned in notice of EGM if there are any special agenda.
Liquidation by Court

- Creditors have the right to object to appointment of official liquidators.
- Unsecured creditors will receive priority claim on liquidation.

Creditors

Official Liquidator

Court

Change liquidator?
- Any fraudulent transactions will be nullified within 6 months prior to liquidation unless court validates it.
- Any asset transfer or delivery of goods within 1 year prior to liquidation may be nullified unless it is part of the company’s normal business operations.
Activities under this act can be conducted through electronic platform as per specified rules. ICT Act 2006 may be followed in this regard.

What are the specified rules?
ANY QUESTIONS
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