BRS BUSINESS REGISTRATION SERVICE
Doing Business Made Easier

PN/03: Event driven filings

2025

PN/03: Event driven filings

This publication is not a legal document. It contains general information intended as a basic guide on what information you have to deliver to the Companies Registry when particular changes occur within your company. We refer to the filings described in this note as "event driven" because they arise as a result of a change in the company, for example, the appointment of a director or a change in the share capital and only the most common filings are covered. The note is not drafted with unusual or complex transactions in mind. This guide should not be deemed to substitute any need to take specialist professional advice.

This practice note will be relevant to you if:

- you are a director or secretary of a company
- you act as an adviser to a company

[This Practice Note does not include event driven filings related to foreign companies. Please refer to PN/07 for details on foreign companies.]

These Practice Notes were prepared by the Joint Liaison Committee ("JLC") comprised of members from Business Registration Service, Law Society of Kenya – Nairobi Branch and Institute of Certified Secretaries.

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Chapter 1

Annual Returns

a) Return date

Annual returns for companies incorporated under the Companies Act, No 17 of 2015 ("CA 2015") should be made up to the anniversary of their date of incorporation.

Section 705(2)(b) of the CA 2015 is meant to accommodate companies incorporated under the repealed Companies Act (Chapter 486 of the Laws of Kenya) who had filed their prior returns on a date different from the anniversary of the incorporation date.

b) The date of this return

The date of the return should be the date of filing the return, which should not be later than the Return Date and not earlier than 28 days from the Return Date.

c) Signing and lodging date

The signing date should be the current date when either the director or the secretary is signing the annual return.

The annual return should be lodged within twenty-eight (28) days from the return date. Any filing outside this twenty-eight (28) will be a late filing and will attract a penalty of KES. 500.

d) ***Statement of Capital***

The Statement of Capital should reflect the sum of the nominal value of each class of shares issued to the current shareholders. Any unissued shares, if any, should not be reflected as capital of the Company. See Chapter 9 (5) of this Practice Note for more details.

The statement of capital should reflect the total number and aggregate value of the issued shares of the company, for each class of shares-the total number of shares of that class, aggregate nominal value of shares of that class and the rights attached to the shares.

e) ***List of past and present shareholders***

The list of past and present shareholders should only reflect the shareholders within the period of the return.

The prescribed form for filing the Annual Returns is the Form CR29 which can be accessed on the Business Registration Service Platform.

Chapter 2

Directors, Shareholders, Secretaries, Authorized Persons and Auditors

1. Change in the company's directors or secretary or their particulars?

The company must keep registers that contain details of its officers including a register of directors, a register of directors' residential addresses and, if appropriate, a register of secretaries (for further information on registers to be maintained by a company see our note PN/02 Statutory Books & Records) and whenever there is a change to an officer's particulars, or a company appoints or terminates the appointment of an officer, it must update these registers. The company must then file the appropriate prescribed form and supporting documents with the Companies Registry within 14 days of the change.

1.1 Cessation from office of directors

(i) A director may cease from holding office in any of the following instances:

a) Resignation from office
b) Removal
c) Rotation
d) Retirement
e) Lack of capacity

The process and appropriate forms for the respective instances are as follows:

a) Resignation from office

You will be required to file the following documentation within fourteen (14) days:

(a) Letter of resignation;
(b) Statutory declaration confirming that the director is resigning voluntarily, signed by the resigning Director;
(c) Extract from the Minutes of a meeting of the Directors noting the resignation; and
(d) Notice of Cessation of Office of Directors (Form CR 9).

b) Removal

You will be required to file the following documentation within fourteen (14) days:

(a) Copy of the twenty-eight (28) days special notice served under sections 139(2) as read with section 287 of the CA 2015 or if it is not practicable to give that notice provide a copy of fourteen (14) day notice of the removal advertised in a newspaper having a wide circulation in the area in which the company carries on business or in any other manner allowed by the company's articles;

(b) Proof of service of a copy of the special notice from the company to the director;
(c) Proof of service of notice and agenda for general meeting at least twenty-one (21) days for private company and at least fourteen (14) days for public company, inviting the concerned director to attend the General Meeting;

(d) Form CR 19 containing extract of minutes confirming quorum and resolution approving the removal; and
(e) Form CR 9 - Notice of cessation of office of director.

C) Rotation

Where a director retires by rotation but is not re-elected at a General meeting:

(a) Form CR 9 - Notice of cessation of office of director.
(b) Form CR 19 containing the decision not to re-elect the director.

d) Retirement

Where a director leaves office by virtue of attaining the age of retirement:

(a) Form CR 9 - Notice of cessation of office of director.
(b) Form CR 19 containing the decision to retire from Office.

b) Lack of capacity

(i) Death

(a) Form CR 9 - Notice of cessation of office of director;
(b) Copy of death certificate;

(ii) Insanity

(a) Form CR 9 - Notice of cessation of office of director.
(b) Report issued under the Mental Health Act in respect of the affected Director.

(iii) Bankruptcy

(a) Form CR 9 - Notice of cessation of office of director.
(b) Copy of the bankruptcy order issued under the Insolvency Act.

(ii) A secretary may cease from holding office in any of the following instances:

a) Resignation from office
b) Removal from Office

a) Resignation from office

You will be required to file the following:

(a) Letter of resignation;
(b) Extract from the Minutes of a meeting of the Directors noting the resignation; and
(c) Form CR 13 - Notice of Cessation of Office of Secretary.

b) Removal from office

You will be required to file the following:

(a) Extract from the Minutes of a meeting of the Directors noting the removal; and
(b) Form CR 13 - Notice of Cessation of Office of Secretary.

1.2 Appointment of Directors/Secretary

(i) Where the appointment of a director has been effected at a General Meeting of the Company:

(a) Form CR 6 - Notice of appointment of directors and their particulars;
(b) Form CR 8 - Notice of residential address / change of residential address of director; and
(c) Form CR 19 – Notice of ordinary resolution appointing the director.
(d) Letter of Consent to Act as a Director.

(ii) Where the appointment of a director has been effected at a Board of Directors Meeting of the Company:

(a) Form CR 6 - Notice of appointment of directors and theirs particulars
(b) Form CR 8 - Notice of residential address / change of residential address of director; and
(c) An extract from the minutes of the Board meeting appointing the director.
(d) Letter of Consent to Act as a Director.

(iii) Where the appointment of a director has been effected through a gazette notice:

(a) Form CR 6 - Notice of appointment of directors and theirs particulars
(b) Form CR 8 - Notice of residential address / change of residential address of director;

(c) A copy of the Legal Notice published in the Kenya Gazette; and
(d) Letter of Consent to Act as a Director

(iv) Appointment of Company Secretary by the Board of Directors of the Company:

(a) Form CR 10 - Notice of appointment of secretaries and theirs particulars
(b) Form CR 12 - Notice of residential address / change of residential address of secretaries; and
(c) An extract from the minutes of the Board meeting appointing the secretary (ies).
(d) Letter of Consent to Act as a Secretary

(v) Appointment of an Authorized Person by the Board of Directors of the Company:

The following documents are to be delivered to the Registrar:

(a) An extract from the minutes of the Board meeting appointing the Authorized Person, and setting out the delegated authority; and
(b) Letter of Consent to Act as an Authorized Person.

An extract from a Board Resolution revoking the appointment of an Authorized Person is sufficient notification to the Registrar of the change.

1.3 Changes in Shareholders/Member

(i) Allotment of new Shares

(a) Statement of Increase of Nominal Capital, stamped (where there are no unissued shares)

(b) Form CR 20 – Form of Allotment
(c) An extract from the minutes of the Board meeting approving the Allotment of Shares.
(d) Form CR19 – Form of Ordinary/Special Resolution (Optional, where there is only one class of shares and no restrictions in the Articles of association)
(e) Amended Articles (Optional)

(ii) Transfer of Shares

(a) Stamped Share Transfer Deed;
(b) An extract from the minutes of the Board meeting approving the Transfer of shares; and
(c) Prescribed particulars of the Transferee.

The Company to ensure that where pre-emption rights apply to the above allotment or transfer of shares, that these pre-emptive provisions are observed.

(iii) Transmission of Shares

(a) Notice of Transmission of Shares;
(b) An extract from the minutes of the Board meeting approving the Transmission of shares;
(c) Certificate of Confirmation of Grant of Probate; and
(d) Prescribed particulars of the Transmittee.

Where one is a **Director Shareholder** of a Company, the processes above should be applied on their change of status or particulars as far as the said change affects their directorship or shareholding or both.

(iv) Appointment of a Member (CLG Only)

(a) An extract from the minutes of the Board meeting approving the Appointment of a Member;
(b) Signed Statement of Guarantee by the new Member; and
(c) Prescribed particulars of the Member.

There is no prescribed form for filing the change.

(v) Cessation of a Member (CLG Only)

(a) Notice of Cessation signed by the Member;
(b) An extract from the minutes of the Board meeting approving the Cessation as a Member;

There is no prescribed form for filing the change.

(vi) Beneficial Owners Information

The company is required to take reasonable steps to identify its ultimate beneficial owners and to notify the Registrar as follows:

(a) Form BOF1 – Register of Beneficial Owners
Required to be filed on allotment or transfer of shares, where a shareholder meets any of the four set criteria.
(b) Form BOF2 – Change of Beneficial Owners Particulars
Required to be filed on a change of any of the particulars filed with the Registrar under Form BOF1.
(c) Form BOF3 – Notice of Ceasing to be a Beneficial Owners

Required to be filed with the Registrar within 14 days upon cessation to be a beneficial owner of a private Company. The timeline does not apply to a public company.

See Chapter 9 for more information on increase of share capital, changes in shareholding and the additional documents that may apply.

1.4 Change of Particulars of a Director or Secretary

Other changes that may be required on the particulars of a company's existing directors/secretary are to be filed using the following forms:

(a) Form CR 7 - Notice of change of director's particulars (excluding residential address);
(b) Form CR 8 - Notice of residential address / change of residential address of director;
(c) Form CR 11 - Notice of change of secretary's particulars (excluding residential address); and
(d) Form CR 12 - Notice of residential address / change of residential address of secretaries.

1.5 Removal or Resignation of an Auditor

The following document is to be delivered to the Registrar upon the removal of an Auditor from Office:

(a) Form CR19 – Form of Ordinary/Special Resolution.

The following documents are to be delivered to the Registrar within 14 days of the resignation of the Auditor from Office:

(a) Form CR43 – Notice of Resignation of Auditor
(b) Letter of Resignation of the Auditor.

2. What is the difference between a service address and a usual residential address?

A service address is one at which documents may be effectively served on a director and can be the same as the residential address, or the registered office/address of the company, or somewhere different, as defined in Section 3 of the CA 2015.

A residential address is the usual home address of the director concerned. A residential address is to be filed with the Registrar, but it will not be available on the public record for the public to see and will be held separately. Access to the residential address particulars is restricted to certain prescribed public authorities and credit reference agencies.

Where a service address of a director who is a natural person is the same as their usual residential address, the Registrar is to protect this information from disclosure in the register available for inspection by the public, for example from appearing in the Official Search Results.

3. What is the difference between the register of directors and the register of directors' residential addresses?

The register of directors contains for each director who is an individual:

(a) his or her name and any former name
(b) a service address (which may be stated to be "the company's registered office")
(c) the country, state or part of Kenya in which the person resides

(d) nationality, business occupation (if any), and date of birth

For directors that are companies or firms, the register of directors will include:

(a) its corporate name
(b) its registered or principal office
(c) the legal form of the company and the law by which it is governed and, if applicable, where registered and its registration number

The register of directors' residential addresses contains the usual residential address of every director who is an individual.

The register of directors must be kept available for inspection; the information on the register of directors' residential addresses must not be made available to the unauthorized persons. The company can only use the information in this register of directors' residential address to communicate with the director and to deliver information to the Companies Registry to update the records held there. The company cannot use this information for any other purpose unless either the director has given his consent in writing or if so required by the Court.

4 Change of Particulars of a Shareholder, Member or an Authorized Person

There is presently no prescribed form or filing fee for effecting a change in the particulars of a Shareholder, Member or an authorized person.

On an interim basis, the changes in shareholders particulars shall be notified through the filing of the change on the Letterhead of the Secretary or the Company, to be sent to the Registrar through e-mail. Whereas a change in the particulars of an authorized person shall be notified through a letter duly signed by an Officer of the Company.

Chapter 3

Registered Office

How do I change my registered office?

If, after registration, your company wishes to change the address of its registered office, you must notify Registrar of Companies of the new address on Form CR16 (Notice of change of location of registered office) by lodging the duly signed application form on the e-Citizen portal. You will be required to pay a prescribed fee when lodging the application. Please note that the new registered office will not take effect until it has been registered by the Registrar.

Chapter 4

Accounting Reference Date

How do I change my accounting reference date?

If your company wishes to change its accounting reference date in relation to (a) current and subsequent period or (b) the immediately preceding accounting reference period and subsequent periods, you must notify the Registrar of the change on Form CR42 (Notice of Change of Accounting Reference Date). Please note that the circumstances and requirements for any change in the accounting reference date are set out in Section 634 of the CA 2015.

The change in accounting reference date (ARD) shall only be done once in every five years' period, unless a waiver is obtained from the Cabinet Secretary. The ARD shall not be changed retroactively.

Chapter 5
Company Records

What company records do the Officers need to make available for inspection and where?

A company, depending on its company type, may have some or all of the following records (the following list is not exhaustive):

(a) register of members
(b) register of directors
(c) directors' service contracts
(d) directors' indemnities
(e) register of secretaries
(f) records of resolutions and minutes of general meetings
(g) contracts or memoranda relating to purchase of own shares
(h) documents relating to redemption or purchase of own shares out of capital by a private company
(i) register of debenture holders
(j) register of interests in shares disclosed to public company
(k) instruments creating charges and a register of charges

You need to keep these company records available for inspection, typically at the company's registered office. *For further information on company records, please see PN/02 Statutory Books and Records.*

Other Registers to be maintained by the Company include:

(l) register of director's residential address*
(m) register of beneficial owners*

The Register of director's residential address and register of beneficial owners are restricted from inspection by the general public.

Chapter 6
Resolutions

1. What is a resolution?

A resolution is an agreement or decision made by members, a class of members, or the directors of a company. This could include resolving to change the name of the company, to alter its share capital, to change its articles, or any other matter relating to the Company operations.

The different types of resolutions are listed under Section 27(2) of the CA 2015.

Ordinary/Special Resolutions, other than those passed as an ordinary business at the Annual General Meeting of the Company, are to be filed with the Registrar vide Form CR19.

2. How do companies pass resolutions?

The company's members vote on whether to pass or reject a proposed course of action. Each member's voting power will usually depend on the number of shares the member holds in the Company. In most cases, one share has one vote. An ordinary resolution is passed when a simple majority of those present and voting at a meeting (Above 50%) casts their vote in support of a resolution. If the necessary simple majority is not obtained, then the proposed resolution fails.

A special resolution is passed by not less than 75% of members present and voting on the resolution at a general meeting.

Voting at a general meeting may be (a) by a show of hands, one member has one vote or (b) by poll, weighted by the number of votes a member holds in the company.

3. Private companies and the passing of written resolutions

Whilst resolutions of a public company may only be passed at a meeting of members, private companies can pass resolutions:

- by a written resolution, which they must circulate to every eligible member electronically or by hard copy (this may be executed in counterparts); or
- by taking a vote at a general meeting of members.

Private companies can pass almost all resolutions as written resolutions. Exceptions to this are:

- a resolution to remove a director before expiry of his/her term
- a resolution to remove an auditor before expiry of his/her term

These resolutions need to be passed at duly convened and constituted general meeting. The meeting may be a physical, virtual or a hybrid meeting.

4. What records of resolutions and meetings does the company need to keep?

The company must keep minutes of all proceedings at general meetings or decisions made by a sole member. They must also keep copies of all resolutions of members passed other than at general meetings. They must keep these records for 10 years and make them available for inspection by members on request as provided under Section 317(2) of the CA 2015.

5. Resolutions to be notified to the Registrar.

The company must within 14 days of passing a special resolution (or any resolution specified in Section 27(2) of the CA 2015) lodge with the Registrar for registration a copy of the resolution using Form CR19 (Notice of Special/Ordinary Resolution)

Chapter 7

Change of Company Name

1. **How can I change my company's name?**

A company can change its name by:

- a special resolution (the special resolution may be conditional on the occurrence of some event); or
- other means provided for by the company's articles of association.

The company must notify the Registrar of the change of name by submitting:

a) a notice of change of name, ;
b) Form CR19 – Special Resolution
c) Letter of No Objection (Optional)

Once registered, the Registrar shall issue a certificate of change of name at which time the change takes effect.

There are other circumstances in which a company can or is required to change its name (for example at the direction of the Registrar or where a company is restored to the Register) and different procedures apply, and each requires a specific notice/s and/or additional documents.

2. Where can I find more information on choosing a company name?

Please ensure that, prior to effecting a change of name, you have confirmed availability of the name and have applied for reservation of the proposed new name at the Companies Registry. For further information on Company Names, such as rules on names which require justification or are unacceptable to Registrar of Companies, please see our note PN/01 Incorporation of Companies.

Chapter 8

Change of Constitution

1. How can I amend my company's articles of association ("articles")?

A company may amend its articles only by special resolution. Notice of the resolution must be lodged with the Registrar using Form CR19 (Notice of special/ordinary resolution).

The company must also file a copy of the amended articles within 14 days of the date the resolution was passed.

2. How can I amend my company's objects?

Companies registered under the CA 2015 generally have unrestricted objects.

However, a company may choose to restrict its objects in its Articles of Association by passing a special resolution and notifying the Registrar using Form CR19 (Notice of Special/Ordinary Resolution). The amendment to the articles is not effective until the prescribed form has been recorded by the Registrar.

The company must file a copy of the amended articles within 14 days of the date the resolution was passed.

Chapter 9

Share Capital – Section 322 to 403 of the CA 2015

1. What is share capital?

When people form a company, they decide whether to limit the members' liability by shares. Share capital refers to the maximum value of shares that a Company can issue.

On incorporation of a company limited by shares, the shareholders must agree to take a certain number of the shares. The statement of capital and initial shareholdings must show the names and addresses of the people who have agreed to take shares and the number of shares each will take. These people are called the subscribers. Upon incorporation, a Company should file a Statement of Nominal Capital (*refer to PN/01 – Incorporation of Companies*). The nominal value of the initial subscribed shares is the share capital of the Company.

2. What is issued share capital?

Issued capital is the value of the shares issued to shareholders. This means the nominal value of the shares rather than their actual market value.

A company may increase its issued capital by allotting more shares; it must make allotments under proper authority (see paragraph 6). Such allotments will result in an increase of the Nominal Capital of the Company (see paragraph 3).

- A private company may normally only issue shares to its members or third parties through a private arrangement;

- A PLC may offer shares to the general public in a prospectus or by listing in a Stock Exchange.

3. Increase of Share Capital

If a Company wishes to increase its Share Capital beyond its registered Nominal Capital, the Company will be required to file the following with the Registrar of Companies:-

- Statement of Increase in Nominal Share Capital
- Form CR19 – Notice of Special Resolution, where applicable
- Board Minutes/Resolutions/Extracts passing the resolution to allot additional shares in the Company.

NB: There will be a requirement to pay stamp duty on the increase in capital; Stamp Duty payable will be at a rate of 1% of the nominal value of the increase.

4. Public Company and the 'authorised minimum'

A Public company cannot conduct business or exercise borrowing powers unless and until it has obtained a trading certificate from the Registrar, and the Registrar will not issue a trading certificate unless satisfied that the company has met (satisfies) the 'authorised minimum' share capital requirement. The authorised minimum capital for a Public company is KES 6,750,000/-. *See PN/05 – Alteration of Company Status for more details on conversion to PLC*.

5. Statement of Capital

Throughout this guidance you will see references to a statement of capital. The CA 2015 introduced this for all companies with share capital. The statement of capital is a "snapshot" of a limited company's share capital at a given time.

Companies incorporating with share capital must complete a statement of capital and initial shareholdings as part of the application to incorporate. *(See PN1 – Incorporation of Companies).*

All companies with share capital must complete a statement of capital as part of any annual return.

Companies must complete a statement of capital with certain forms that notify share capital changes, namely:

- Return of allotment – Form CR20
- Statement of capital on conversion of unlimited company to a private limited company – Form CR24
- Notice of sub-division, consolidation or redemption of shares – Form CR34
- Statement of capital on reduction of capital – Form CR35
- Notice of cancellation of shares by a Public Company – Form CR36
- Notice of cancellation of own shares on purchase of own shares by a Company – Form CR38
- Return of Purchase of own Shares – Form CR37
- Notice of sale or transfer of treasury shares – Form CR40
- Notice of cancellation of treasury shares – Form CR41

In all the circumstances listed above, the statement of capital will be an integral part of the prescribed form.

6. Allotment of shares

A company may increase its share capital by allotting additional shares of the Company. Shares are "issued" when a person is registered as a member in the company's Register of Members.

Within one month of the allotment of shares, a company must deliver a return of allotment, Form CR20, to the Registrar.

7. Sub-division and consolidation of shares

Unless its articles of association prohibit or restrict it, a company may pass an ordinary resolution to:

- sub-divide its shares, or any of them, into shares of smaller amounts than its existing shares; OR

- consolidate its shares, or any of them, into shares of larger amounts than its existing shares

In the above cases, the total share capital remains unaltered. A company must deliver a notice of the change to the Registrar within one month of the alteration.

The forms to be filed are:

(i) Form CR19 - Notice of Ordinary/Special Resolution; and
(ii) Form CR 34 – Notice of Sub-division, Consolidation and Redemption of Shares.

These may be signed either by a Director or Company Secretary.

N/B *while the CA 2015 under Section 406 (2) requires Form CR34 to be accompanied by a statement of Capital the Form CR34 includes the said statement.*

The Company will require to re-issue share certificates and update the Register of Members accordingly.

8. Variation of class rights

Rights attached to a class of shares ("class rights") typically cover matters such as voting rights, rights to dividends and rights to a return of capital on winding up.

The articles of association may set out class rights and may contain provisions for altering ("varying") those rights.

If the articles do not contain provisions for varying the rights, the company can vary them either by obtaining consent from the holders of at least three quarters in nominal value of the issued shares of that class (excluding any treasury shares), or by the members of that class passing a special resolution at a separate General Meeting.

The following forms must be delivered to the Registrar within fourteen (14) days, from the date of the General Meeting:

(i) Form CR19 - Notice of the Ordinary/Special Resolution **OR** written consent from at least three quarters in nominal value of the issued shares of that class;
(ii) Form CR33 - Notice of particulars of variation of rights attached to shares;

9. New name or designation of class of shares

A company can give a name or designation to a class of shares (or a new name or new designation). The following forms must be delivered to the Registrar within fourteen (14) days, from the date of the General Meeting approving the change:

(I) Form CR32 - Notice of name or other designation of class of shares;
(ii) Form CR19 – Notice of Ordinary/Special Resolution giving the name or designation to the class of shares.

10. Reduction of capital

A company can reduce its share capital in certain circumstances subject to confirmation by the court in which case the court order and a statement of capital approved by the court would need to be lodged with the Registrar.

A private limited company can reduce its capital by special resolution supported by a solvency statement.

You must deliver to the Registrar the following within 14 days of passing the resolution:

(i) Form CR 35 - Statement of capital with respect to reduction of share capital;
(ii) Form CR19 – Notice of Ordinary/Special resolution;
(iii) A copy of the Court Order confirming the reduction in share capital **OR** in the case of a private company, the Solvency Statement signed by the Directors.

11. Forfeiture or surrender of shares

Forfeiture – This process can only be initiated by the Board where issued shares are partly paid or unpaid. For shares to be forfeited, the following will be required, pursuant to the provisions of the articles of association of the Company:

(i) A resolution of the Board authorizing the making of a call;
(ii) A call notice, notice of intended forfeiture and notice of forfeiture;
(iii) A resolution of the Board approving the forfeiture of shares, pursuant to the notice of forfeiture;
(iv) A statutory declaration by a director OR company secretary attesting to the particulars of the forfeiture;
(v) A stamped Transfer Deed in respect of the forfeited shares being transferred to a purchaser, where applicable.

Surrender – This process can only be initiated by a shareholder whose shares are partly paid. For shares to be surrendered, the following will be required, pursuant to the provisions of the articles of association of the Company:

(i) A written notice from a shareholder surrendering their share(s) in the company;
(ii) A resolution of the Board approving the surrender of shares;
(iii) A statutory declaration by a director OR company secretary attesting to the particulars of the surrender;
(iv) A stamped Transfer Deed in respect of the surrendered shares being transferred to a purchaser, where applicable.
The Board resolution approving the forfeiture/surrender, stamped Transfer Deed (*where applicable*) and statutory declaration will be required to be filed with the Registrar within 30 days of the passing of the resolution.

In the case of a public company, any forfeited or surrendered shares, which are not transferred to a third party within three (3) years of the forfeiture or surrender are deemed cancelled. Subject to the articles of association of the

Company, forfeiture or surrender of shares in a private company must be accompanied with a duly executed share transfer deed. *For further information on diminution of issued share capital for a public company, see the following section 11.*

11. Cancellation of shares by a PLC following forfeiture or surrender

If shares in a PLC have been forfeited, surrendered or acquired in various circumstances described in section 427 of CA 2015, the company must (unless the shares or the company's interest in them is disposed of in some other way) cancel those shares, generally within three years (in some cases within one year), and reduce its capital by the nominal value of the cancelled shares. The directors may reduce the company's capital without a special resolution approved by the court. Within one month of the cancellation you must deliver to the Registrar Form CR38 (notice of cancellation of shares or purchased shares). If the reduction in capital results in the nominal value of the company's allotted share capital falling below the authorised minimum the company must re-register as a private company. (The time limit for re-registration is the same as that for cancellation of the shares).

12. Purchase of own shares

Subject to any restriction or prohibition in the articles of association and the approval of its shareholders, a company can purchase its shares. When a private company purchases its own shares, it cancels all the shares so purchased. A public company can retain up to the equivalent of 10% of its share capital as Treasury shares *(in this case the PLC is entered in its own Register of Members as a Shareholder)*. The purchase/cancellation of shares must be notified to the Registrar on Form CR37 within 14 days (with respect to a purchase) or within 28 days (with respect to an immediate cancellation).

Chapter 10

Re-registration

A company may alter its status and re-register in a number of ways

- from a private company (limited by shares or unlimited) to a public company
- from a public company to a private company limited by shares
- from a private limited company to an unlimited company
- from an unlimited private company to a limited company
- from a public company to an unlimited private company

On re-registration, the Registrar will issue an amended certificate of incorporation to the company. The certificate will include the changed name, where applicable, and status of the company together with the date of re-registration.

For more information, please see the PN/05 - Alteration of Status of Companies.

Chapter 11
Charges

1. Registration

A charge is the security a company gives for a loan. A company that creates a charge (or any person interested in the charge) must deliver the statement of particulars together with the Charge instrument, along with the relevant fee, to the Registrar for registration.

If a company creates a charge and the required documents and fee are not delivered to the Registrar for registration within the period allowed for delivery and in the event that the company becomes insolvent, the charge will be void against the liquidator or administrator and any creditor of the company. This means that the debt for which the charge was given will remain payable, but it will be unsecured. Only the court can grant an extension of time for registration of a charge that the Registrar did not receive in time.

The period allowed for delivery is 30 days – details are set out in the table below alongside the description of the form. The table also captures additional Forms with respect to full or partial satisfaction of charges.

Form Number	**Title**	**Does the 30-day time limit to deliver the fom apply? (Y/N)**	**Document to accompany the Form**
CR25	Particulars of a charge created by a company registered in Kenya	Y (from the date on which the charge is created or, if created outside Kenya, within 21 days of receipt in Kenya).	The instrument creating or evidencing the charge (if any)

Form Number	Title	Does the 30-day time limit to deliver the fom apply? (Y/N)	Document to accompany the Form
CR26	Particulars of a charge subject to which property or undertaking has been acquired	Y (from the date of acquisition of the property or, if the property is located and the charge was created outside Kenya, within 21 days of receipt of the instrument creating charge in Kenya).	A certified copy of the instrument creating or evidencing the charge (if any).
CR27	Particulars of a charge subject to secure a series of debentures.	Y (for the date of execution of the deed or, where there is no such deed, from the day the first debenture is executed)	The deed containing the charge or, if none, one of the debentures of the series.
CR28	Memorandum Statement of Satisfaction in full or Partial Satisfaction of a charge over a company's assets	N	None. This Form may be used either where debt for which the charge was given has been satisfied in whole or in part or where the whole or part of the property charged has been released from the charge.

2. Acquisition of property which is already charged

If you acquire property that is already subject to a registrable charge, you must register this charge. The company (or any person interested in the charge) should complete and deliver Form CR26 to the Registrar, accompanied by a certified copy of the instrument that creates or evidences the charge.

3. Satisfaction of Charges

What should I do if the company has satisfied the debt?

It is recommended that the company obtain a discharge after it has fully satisfied the debt, but it is not mandatory to notify the Registrar. However, it is in the company's best interests that potential investors and lenders are aware that it has satisfied all or part of the debt. If you wish to notify the Registrar, deliver Form CR28 for registration.

4. What if the charged property ceases to be charged or to belong to the company?

There is no requirement for a company to inform the Registrar that its property has been released from a charge or that the property no longer belongs to the company. However, it is in the company's best interests that potential investors and lenders are aware of this. If you wish to notify the Registrar, deliver Form CR28 for registration.

5. Review of this Practice Note.

This Practice Note shall be reviewed at least once every two years by the JLC at its discretion and subject to any change in the CA 2015.

6. Effective Date.

This Practice Note shall come into effect from 30th June 2025.

Version Control			
Version Number	**Date issued**	**Author**	**Update information**
V1.0	16.06.2020	The Registrar of Companies.	First published version
V2.0	19.08.2021	The Registrar of Companies	Reviewed to include changes in Beneficial Owners, Auditors and Authorized Persons.

			Made various amendments to provide more clarity on the existing provisions of the Practice Note.
V3.0	30.06.2025	The Registrar of Companies	Third published version