

CLASSES OF SHARES AND CLASS RIGHTS: A COMPARATIVE EXAMINATION OF THE LAW IN NIGERIA AND RWANDA

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ABSTRACT

The concept of shares is one of the distinguishing features of corporate entities. More distinguishing is the array of men and women who subscribe to corporate entities or incorporated companies through acquisition of the issued shares of such companies. The prime place of shares as a means of providing or shoring up capital for companies makes it imperative that specific rights be attached to them. It is against this background and from a comparative perspective that this paper examines the law governing shares and the rights and duties attached to them in Nigerian and Rwanda. The analytical method is used in appraising data obtained from both primary and secondary sources. Findings show that foreign investments have been dwindling over time in these countries and the advent of the covid-19 pandemic has further constricted the rate of foreign investments into countries. It is in this context that this paper concludes that the enactment of new companies' laws by Rwanda and Nigeria in February, 2021 and August 2020 respectively aims at enhancing the atmosphere for both local and foreign investment and the consequent increase in shareholding capacities of citizens.

Keywords: Shares, Shares Rights, Variation of Rights, Limitations on Rights, Duties.

INTRODUCTION

The economies of countries are facing hard times due to multiple reasons and one of which is dwindling investments from both local and foreign companies. The advent of the Covid-19 pandemic has made investment window worse. As the world sets to reopen, it is expected that there will be stiff competition for both foreign and local investments. Investments will rejig the economies of countries through the creation of jobs and other economic activities for citizens.

In order to prepare itself for a share of the few investments in the post-COVID era, Rwanda enacted a brand-new company law in February, 2021, the Law Governing Companies. This new Rwandan Company Law came into existence via Official Gazette no 04 of 8th of February, 2021.

The Nigerian Government has also repealed its company law enacted in 1990 with a new Companies and Allied Matters Act, (or CAMA) 2020. These new laws aim at stepping up the