

REPUBLIC OF SOMALILAND

HOUSE OF REPRESENTATIVES



SOMALILAND COMPANIES ACT

(Law No. 80/2018)

PREAMBLE
THE HOUSE OF REPRESENTATIVES OF THE REPUBLIC OF SOMALILAND

HAVING SEEN	Article 11 and 12 of the Somaliland Constitution
RECOGNIZING	a robust, vibrant private sector of the economy of The Republic of Somaliland is beneficial for the People of Somaliland; and growth of the private sector is enhanced when supported by a modern legal and regulatory framework that incorporates international best practices to promote the ease of doing business for entrepreneurs and business of all sizes and pursuits; and
RECALLING	The legal framework that is characterized by simplified, clear guidelines and standards, streamlined procedures, flexibility, transparency, and minimized regulatory and bureaucratic impediments;
CONCIOUS	Necessity of the existing framework, which is limited in scope, obsolete and lacking in compliance and enforcement, be reformed and to expand options for entrepreneurs starting a business by providing a distinct alternative to those available under existing law; To achieve improved, efficient governmental administration through advanced technology including establishment of an electronic “One-Stop Business [Start-up][Facilitation] Center”; and to encourage formalization of the business sector by offering the convenience of fast online access to filing procedures and retrieval of information, so as to ensure a low-cost of business start-up and life cycle maintenance and compliance;
HAVING CONSIDERED	That this Act provides for formation by one person of a simplified juridical person for any lawful purpose, whether or not for profit, with perpetual existence; <ul style="list-style-type: none"> • limits liability of a company’s owners and managers; • authorizes a company to have a single member, or many; • establishes that the principle of freedom of contract prevails among members of a company regarding establishing rules of governance for their company and regarding fixing relationships between the company and its members; • allows free transferability of interests; • grants extensive flexibility regarding designation of directors, officers, managers and agents; • states adequate rules for guidance in the absence of contractually established provisions; • addresses protections for investors, minority interests, creditors and administrators; • provides clear guidance for its administration; • promotes transparency by avoiding grants of discretionary powers and quasi-judicial duties to administrators; • eliminates overly-burdensome and costly regulatory requirements for, among other matters, participation in the filing process of

	<p>intermediaries such as notaries, minimum capitalization, company seals, and annual accounts and reports of directors;</p> <ul style="list-style-type: none"> • provides reduced supervisory duties and costs for administrators and establishes the administrative role as limited and ministerial; • mandates that fees be based on recovery of administrative costs of providing services; • contemplates and accommodates a modern, efficient, electronic system for delivery of high quality, integrated, multi-agency business services and performance of multi-faceted governmental duties by, <i>inter alia</i>, mandating use by a company of a unique identifier for all governmental transactions, self-classification by a company regarding its business activities, use of simplified, standardized forms, liberalized company name requirements, annual reporting to ensure accuracy of data maintained in a central electronic database, elimination of signature requirements and alternative means for enforcing compliance and remedies for non-compliance; and • modernizes the existing legal and regulatory framework for business entities by repealing [THE COMPANIES LAW OF SOMALILAND (Law No. 25/2004)] and all other companies laws of The Republic of Somaliland, by providing that all companies, domestic and foreign, formed or registered under [THE COMPANIES LAW OF SOMALILAND (Law No. 25/2004)] or any other companies law of The Republic of Somaliland and in existence at the time of the effectiveness of this act shall be deemed to be governed by and subject to this act and shall be required to register under this act in the manner prescribed by the minister of commerce, and by harmonizing other existing laws, legislation and regulations.
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HEREBY APPROVE
THE SOMALILAND COMPANIES ACT (LAW NO. 80/2018)
CHAPTER 1

CHAPTER 1: TITLE

DEFINITIONS, INTERPRETATION, CONSTRUCTION, APPLICATION, SPECIAL RULES

Article 2 Definitions

As used in this act, except as otherwise defined for the purpose of any article, subpart, part or chapter of this act, or unless the context otherwise requires:

- (1) "address" means a mailing address or a street address.
- (2) "assumed entity name" means an entity name assumed by a foreign entity pursuant to the provisions of article 20.
- (3) "business" means any lawful activity, including ownership of real or personal property, whether or not engaged in for profit.
- (4) "company" means a company formed under this act or an existing company.
- (5) "Companies Law" means [THE COMPANIES LAW OF SOMALILAND (Law No. 80/2018)].
- (6) "company name" means the name of a company as stated in the company's statement of formation or in its statement of registration of existing company, as applicable, or as changed pursuant to article 17 or 18.
- (7) "constituent document" means a constituent filed document or a constituent operating document.
- (8) "constituent entity" means, with respect to a merger, each merging entity and the surviving entity.
- (9) "constituent filed document" means the statement of registration of an existing company, or the statement of formation of a company or other document of similar import filed or recorded by or for a foreign entity in the jurisdiction under the law of which the entity is formed, by which it is formed, or by which the entity obtains its status as an entity or the entity or any or all of its owners obtain the attribute of limited liability. Where a constituent filed document has been amended or restated, "constituent filed document" means the constituent filed document as last amended or restated.
- (10) "constituent operating document" means an operating agreement or the functionally equivalent document of a foreign entity.
- (11) "contribution" means anything of value that a person contributes to a company as a prerequisite to becoming a member in the company or in the capacity of a member in the company, including cash, property, or services rendered or a promissory note or other binding obligation to contribute cash or property or to perform services.
- (12) "court" includes every court and judge having jurisdiction in a case.
- (13) "delinquent entity" means an entity that has become delinquent pursuant to article 76 and that has not cured its delinquency.
- (14) "deliver" includes mail; except that delivery to the minister of commerce means actual receipt by the minister of commerce. "Deliver" to any person by the minister of commerce includes delivery or mail to the principal office address of the person. "Deliver" by the minister of commerce to a person that has no principal office address includes delivery to the address that such person may have provided to the minister of commerce for such purpose.
- (15) "domestic entity" means a company or any other company, organization or association that is formed under an act or other law of The Republic of Somaliland or as to which

the law of The Republic of Somaliland governs relations among the owners and between the owners and the organization or association and that is recognized under the law of The Republic of Somaliland as a separate legal entity.

(16) "effective date", when referring to a document filed by the minister of commerce, means the time and date determined in accordance with article 89.

(17) "effective date of dissolution" of a company means the earlier of the effective date of the company's statement of dissolution or the date as shown by the records of the minister of commerce on which the company was judicially dissolved or was dissolved automatically upon the expiration of its period of duration.

(18) "entity" means a domestic entity or a foreign entity.

(19) "existing company" means a company formed under the Companies Law (2004) or any other companies law of The Republic of Somaliland and in existence at the time of the effectiveness of this act.

(20) "existing foreign entity" means a foreign entity authorized to transact business or conduct activities in The Republic of Somaliland pursuant to registration of a document in accordance with a law of the Republic of Somaliland as in effect prior to the effective date of this act and in existence and transacting business or conducting activities in the Republic of Somaliland at the time of the effectiveness of this act.

(21) "fee" means a fee determined and collected by the minister of commerce as provided in article 88, and includes a fee imposed as a penalty for a late filing or otherwise.

(22) "filed document" means any document filed by the minister of commerce pursuant to this act, whether or not effective.

(23) "foreign entity" means a company, organization or association that is formed under an act, law or statute or common law of a jurisdiction other than The Republic of Somaliland or as to which the law of a jurisdiction other than The Republic of Somaliland governs relations among the owners and between the owners and the organization or association and is recognized under the law of such jurisdiction as a separate legal entity.

(24) "Foreign entity name" means:

(a) the name of a foreign entity under which it is authorized to transact business or conduct activities in The Republic of Somaliland, whether such name is its true name or an assumed entity name, as such name may be changed pursuant to article 21; or

(b) as to a foreign entity that is not authorized to transact business or conduct activities in The Republic of Somaliland, its true name.

(25) "formed" includes incorporated, created, and organized, and each of the terms includes the others as the context may require. With respect to an entity that was initially formed under the law of one jurisdiction and, by merger, redomestication, or other action, is treated, after such action, according to the law of the jurisdiction under which it was initially formed, as having been formed under the law of a second jurisdiction, the entity shall be considered to have been formed under the law of the second jurisdiction for purposes of this act.

(26) "include" or its variants, when used in reference to any definition or list, indicates that the definition or list is partial and not exclusive.

(27) "jurisdiction" includes The Republic of Somaliland, a foreign country or other foreign governmental authority, and any agency, instrumentality, or subdivision thereof.

(28) "mail" means deposit in The Republic of Somaliland mail system, properly addressed, first class postage prepaid, and includes mail with special services for which the proper fee has been paid.

(29) "mailing address" means, with respect to any person, a physical location to which mail for such person may be delivered, which physical location shall be described by its street name and number or post office box number, city, and (if not The Republic of Somaliland) country, and the postal code, if any, for delivery of mail to the location. If the person has no post office box and, by reason of rural location or otherwise, a street name and number, city, or town does not exist, "mailing address" shall mean an appropriate description fixing as nearly as possible the actual physical location to which mail for that person is delivered.

(30) "manager" means:

(a) amember of a company in which management is not vested in managers rather than members;

(b) amanager of a company in which management is vested in managers rather than members;

(c) a person designated as a manager of a company to manage the company pursuant to article 35; or

(d) any person whose position with respect to a company, as determined under the constituent documents and organic statutes of the company, without regard to the person's act, is the functional equivalent of any of the positions described in sub-paragraphs (a) to (c) of this paragraph (30).

(31) "means" denotes an exhaustive definition or list.

(32) "member" means a person with an ownership interest in a company with the rights and obligations specified under this act. In the case of a company with only one member, "members" and "all of the members" refers to such one member.

(33) "membership interest" means a member's share of the profits and losses of a company and the right to receive distributions of such company's assets.

(34) "merging entity" means any entity that merges into a surviving entity pursuant to article 51 or pursuant to the organic statutes other than this act.

(35) "obligation" means any debt, obligation, duty, or liability whether sounding in tort, contract, or otherwise.

(36) "on file in the records of the minister of commerce", with reference to a document, means that the document has been filed by the minister of commerce and has become effective pursuant to article 89 or otherwise pursuant to law and that, subsequent to the commencement of the document's effectiveness, no action has been taken, or omission has occurred, that has caused the document to become ineffective or to be superseded in effect.

(37) (a) "operating agreement" means any agreement of all of the members as to the affairs of a company and the conduct of its business. Except as otherwise provided in this act or as otherwise required by a written operating agreement, the operating agreement need not be in writing. An operating agreement may contain any provisions required or permitted by article 10 (1). An operating agreement includes any amendments to the operating agreement.

(b) In the case of a company with only one member, "operating agreement" includes:

(I) any writing, without regard to whether such writing otherwise constitutes an agreement, as to such company's affairs and the conduct of the company's business signed by the sole member;

(II) any written agreement between the member and the company as to the company's

affairs and the conduct of the company's business; or

(III) any agreement, whether or not the agreement is in writing, between the member and the company as to a company's affairs and the conduct of its business if the company is managed by a manager who is a person other than the member.

(38) "organic statutes" means, with respect to any entity:

(a) this act;

(b) the act, law or statute, whether of The Republic of Somaliland or of another jurisdiction, under which the entity is formed; and

(c) all other acts, laws and statutes of The Republic of Somaliland or such other jurisdiction that govern the organization and internal affairs of the entity.

(39) "owner" means a member or a person having an interest in any other entity that is functionally equivalent to an owner's interest.

(40) "owner's interest" means a membership interest in a company.

(41) "person" means an individual, an entity, an estate, a trust, or other jurisdiction.

(42) (a) "principal address" means principal office address or, for a person that has no principal office address, the street address of the person's usual place of business in The Republic of Somaliland if it has one, the street address of the person's residence in The Republic of Somaliland if it has one but has no usual place of business in The Republic of Somaliland, the street address of the person's usual place of business outside The Republic of Somaliland if it has one but has no usual place of business or residence in The Republic of Somaliland, or street address of the person's residence outside The Republic of Somaliland if it has one but has no usual place of business anywhere and no residence in The Republic of Somaliland.

(b) in each case enumerated in sub-paragraph (a) of this paragraph 42, for a person that has no principal office address, "principal address" means the mailing address of the person if it is different from the address determined pursuant to sub-paragraph (a) of this paragraph 42.

(43) "principal office" means the office of an entity located at the principal office address of the entity.

(44) "principal office address" means the street address and, if different, the mailing address inside or outside The Republic of Somaliland, that has been stated by or for an entity to be the principal office address of the entity in the first filed document, in which document the entity or another person has been required, by a provision of this act or by a form or cover sheet the use of which is required by the minister of commerce, to state the entity's principal office address; or, if the entity's principal office address has been changed pursuant to article 73, the principal office address of the entity as last so changed.

(45) "proceeding" includes a civil suit, arbitration, or mediation and a criminal, administrative, or investigatory action.

(46) "receive", when used in reference to receipt of a writing or other document by an entity, means that the entity actually obtains the writing or other document.

(47) "report or annual report" means the report required by article 74.

(48) "reporting entity" means any domestic entity as to which a constituent filed document is on file in the records of the minister of commerce and any foreign entity authorized to transact business or conduct activities in The Republic of Somaliland. An entity ceases to be a reporting company upon its dissolution, its becoming delinquent or the relinquishment of its authority to transact business or conduct activities in The Republic of Somaliland, as the case may be. A dissolved entity that was a reporting entity before its dissolution again becomes a reporting company upon its reinstatement under chapter 15 of this act, and a delinquent

entity again becomes a reporting company upon the curing of its delinquency pursuant to article 78.

(49) "The Republic of Somaliland" includes any district, authority, office, bureau, commission, department, and any other agency of The Republic of Somaliland.

(50) "statement of change" means a statement of change as described in article 92.

(51) "statement of correction" means a statement of correction as described in section 91.

(52) "statement of existing foreign entity authority" means a statement of existing foreign entity authority as described in article 109.

(53) "statement of foreign entity authority" means a statement of foreign entity authority as described in article 116.

(54) "statement of formation" means the statement of formation filed in the records of the minister of commerce for the purpose of forming a company as specified in article 12. A "statement of formation" includes an amended statement of formation, restated statement of formation, statements of merger, and other instruments, however designated, on file in the records of the minister of commerce that have the effect of amending or supplementing, in some respect, the original or amended statement of formation.

(55) "statement of merger" means a statement of merger as described in article 54.

(56) "statement of registration of existing company" means the statement of registration of existing company filed in the records of the minister of commerce for the purpose of registering an existing company as specified in article 103. A "statement of registration of existing company" includes an amended statement of registration of existing company, restated statement of registration of existing company, statements of merger, and other instruments, however designated, on file in the records of the minister of commerce that have the effect of amending or supplementing, in some respect, the original or amended statement of registration of existing company.

(57) "street address" means, with respect to a physical location, the street name and number, city or town, state, and (if not The Republic of Somaliland) country, and the postal code, if any, that is required for delivery of mail to the location. If, by reason of rural location or otherwise, a street name and number, city, or town does not exist, "street address" shall mean an appropriate description fixing as nearly as possible the actual physical location.

(58) "surviving entity" means the entity into which a merging entity or entities have merged pursuant to article 55 or pursuant to the organic statutes other than this act.

(59) "true name" means, with respect to an individual, the first name and surname of the individual; with respect to a partnership, the true name of each partner of the partnership; with respect to a company, its company name; and, with respect to a foreign entity, the functional equivalent of such a name.

Article 2 Short title

This Act shall be known and may be cited as the "[Somaliland Companies Law (Law No.80/2018)]".

Article 3 Interpretations

The provisions of this law shall be interpreted in a manner consistent with the Constitution and Principles of the international Conventions with the interest of the nation

CHAPTER 2

BUSINESS, POWERS AND OPERATIONS

Article 4 Nature of Business.

A company may be formed under this act for any lawful business, whether or not for profit, subject to any provisions of law governing or regulating such business within The Republic of Somaliland.

Article 5 Corporate Personality

(1) Each company formed and existing under this act and each existing company constitutes a separate legal entity and may:

(a) sue and be sued, complain and defend, and participate in administrative or other proceedings, in its name;

(b) purchase, take, receive, lease or otherwise acquire, own, hold, improve, use, and otherwise deal in and with real or personal property, or an interest in it, wherever situated;

(c) sell, convey, assign, encumber, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of all or any part of its property and assets;

(d) lend money to and otherwise assist its members and employees;

(e) purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with, shares or other interests in or obligations of any other person;

(f) make contracts and guarantees and incur liabilities, borrow money at such rates of interest as the company may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any part of its property, franchises, and income;

(g) lend money for its proper purposes, invest and reinvest its funds, and take and hold real property and personal property for the payment of funds so loaned or invested;

(h) conduct its business, carry on its operations, and have and exercise the powers granted by this act in any jurisdiction;

(i) have managers and other agents;

(j) be a party to the operating agreement;

(k) indemnify a member or manager or former member or manager of the company as provided in article 39;

(l) have and exercise all powers necessary or convenient to effect any or all of the purposes for which the company is formed;

(m) be an agent, an associate, a fiduciary, a manager, a member, a partner, a promoter, or a trustee of, or hold any similar position with, any entity, association, organization, partnership, trust, or estate.

Article 6 Types of Companies

An application for the registration of a company should either be;

1. Private Company
2. Public Company

Article 7- Nature of Private Companies

A Private Companies shall have the following characteristics;

1. Restricts the right to transfer its shares;
2. Limits the number of its shareholders; and also
3. Prohibits any invitation to the public to subscribe for any shares
4. If a company has only one shareholder, it is presumed to be a private company
5. Every company is assumed to be public company unless it is stated in its application for incorporation that it is a private company as prescribed under Article 12 of this Act.

Article 8 Unauthorized assumption of powers.

All persons who assume to act as a company without authority to do so and without good faith belief that they have such authority shall be jointly and severally liable for all debts and liabilities incurred by such persons so acting.

Article 9 Transaction of business outside The Republic of Somaliland.

It is the intention of the parliament by the enactment of this act that the legal existence of companies formed under this act and of existing companies be recognized beyond the limits of The Republic of Somaliland.

Article 10 Action to set aside limited liability.

(1) The failure of a company to observe the formalities or requirements relating to the management of its business and affairs is not in itself a ground for imposing personal liability on the members for liabilities of the company.

CHAPTER 3 FORMATION

Article 11 Formation of Companies.

(1) One or more persons may form a company by delivering a statement of formation to the minister of commerce for filing pursuant to chapter 16 of this act. Any such person who is an individual shall be of the age of eighteen years or older. Such person or persons need not be members of the company after formation has occurred.

Article 12 Statement of Formation

- (1) The statement of formation shall state:
- a) the company name of the company, which company name shall comply with article 5 of this act;
 - b) the principal office address of the company's initial principal office;
 - c) the true name and mailing address of each person forming the company;
 - d) that management of the company is vested in one or more managers or is vested in the members, whichever be the case;
 - e) that there is at least one member of the company; and

- f) any other matters relating to the company or the statement of formation the persons forming the company determine to include therein.

Article 13 Effect of filing of a statement of formation.

A company is formed when its statement of formation becomes effective.

Article 14 Notice of existence of company.

The fact that the statement of formation is on file in the records of the minister of commerce is notice that the company is a company and is notice of all other facts stated therein that are required to be stated in the statement of formation by article 12

Article 15 Amendment of a statement of formation.

(1) The statement of formation may be amended at any time for any purpose and shall be amended when:

- (a) there is a change in the company name of the company;
- (b) there is a false or erroneous statement in the statement of formation.

(2) An amendment to the statement of formation is invalid unless approved by all of the members or in such other manner as may be provided in the operating agreement.

(3) A company amends its statement of formation by delivering a statement of amendment to statement of formation to the minister of commerce, for filing pursuant to article 16 of this act, stating:

- (a) the company name of the company; and
- (b) the amendment to the statement of formation.

CHAPTER 4

COMPANY NAMES

Article 16 Company Name.

(1) A company name shall not contain any term the inclusion of which would violate any law of The Republic of Somaliland.

(2) Each company name shall be distinguishable on the records of the minister of commerce from every:

- (a) other company name; and
- (b) name that is reserved for another company as a company name pursuant to

section 504.

(3) A company name of a company may, but need not, contain the words, term or abbreviation "company limited by shares", "incorporated", "company", "limited", "inc.", "co.", "ltd.", "ltd", "llc", "plc" or any other words, term or abbreviation of similar import. (4) A company name need not be in Somali or English if written in Somali or English letters or Arabic or roman numerals.

Article 17 Company name of dissolved company.

(1) If a company dissolves, the company name of the dissolved company shall include the word "dissolved" followed by the month, day, and year of the effective date of dissolution of the company.

Article 18 Entity name of delinquent entity.

(1) The entityname of a delinquent entityshall include the word "delinquent", followed by the month, day, and year of the effective date of the entity'sdelinquency, after the four-hundredth day after the effective date of its delinquency under article 76

Article 19 Reserved Company Name.

(1) Any person may apply for the reservation of the exclusive use of a name as a company name by delivering a statement of reservation of name to the minister of commerce, for filing pursuant to chapter 16 of this act, stating the name and mailing address of the person, that the person is applying under this section to reserve a name for use as a company name, and the name proposed to be reserved. If the minister of commerce determines that the name applied for would be available for use as a company name under article 16, the minister of commerce shall reserve the name for the person's exclusive use for a ninety-day period, which reservation may be renewed successively for ninety-day periods. No statement of reservation of name shall state a delayed effective date.

(2) The holder of a reserved name may transfer the reservation to any other person by delivering to the minister of commerce, for filing pursuant to chapter 16of this act, a statement of transfer of reserved name that states the reserved name, the name of the holder, and the name and mailing address of the transferee.

(3) If a statement of formation stating a delayed effective date is filed in the records of the minister of commerce, the company name stated in it shall be deemed to be a reserved name until the statement of formation becomes effective.

Article 20 Assumed entity name of foreign entity.

(1) If the name that a foreign entity would use as its foreign entity namewould be not be available for use as a company name under article 16, the foreign entity, in order to obtain authority to transact business or conduct activities in The Republic of Somaliland, shall assume for use in The Republic of Somaliland as its foreign entity name a name that would be available for use as a company name under article 16.

Article21 Foreign entity name and business name of withdrawn foreign entity.

(1) If a foreign entity has a statement of foreign entity authority on file in the records of the ministry of commerce, but such authority has been relinquished, the foreign entity name of the foreign entity shall include the words "The Republic of Somaliland authority relinquished" followed by the effective date of the statement of foreign entity withdrawal by which the foreign entity relinquished its authority.

CHAPTER 5

MEMBERS

Article 22 Admission of members.

(1) After the filing of a company's original statement of formation or statement of registration of existing company, one or more persons may be admitted as an additional member or members upon the consent of all members.

(2) At any time that a company has no members, upon the unanimous consent of all the persons holding by assignment or transfer any of the membership interest of the last remaining member of the company, one or more persons, including an assignee or transferee of the last remaining member, may be admitted as a member or members.

Article 23 Interest in company - transferability of interest.

(1) The interest of each member in a company constitutes the personal property of the member and may be assigned or transferred. Unless the assignee or transferee is admitted as a member, the assignee or transferee shall only be entitled to receive the share of profits or other compensation by way of income and the return of contributions to which that member would otherwise be entitled and shall have no right to participate in the management of the business and activities of the company or to become a member.

(2) A member ceases to be a member upon assignment or transfer of all the member's membership interest. A person to whom all of a member's membership interest has been assigned or transferred and who has been admitted as a member has all the rights and powers and is subject to all the restrictions and liabilities of the assignor or transferor with respect to the portion of the membership interest assigned or transferred. The admission of the assignee or transferee releases the assignor or transferor from liability to the company other than for liabilities under article 42 or 50.

(3) A person to whom a portion of a member's membership interest has been assigned or transferred and who has been admitted as a member has all the rights and powers and is subject to all the restrictions and liabilities of the assignor or transferor with respect to the portion of the membership interest assigned or transferred. The admission of the assignee or transferee terminates the assignor's or transferor's rights and powers as a member with respect to the portion of the membership interest assigned or transferred and releases the assignor or transferor from liability to the company with respect to the portion of the membership interest assigned or transferred other than for liabilities under article 42 or 50.

Article 24 Rights of creditor against a member.

On application to a court of competent jurisdiction by any judgment creditor of a member, the court may charge the membership interest of the member with payment of the unsatisfied amount of the judgment with interest thereon and may then or later appoint a receiver of the member's share of the profits and of any other money due or to become due to the member in respect of the company and make all other orders, directions, accounts, and inquiries that the debtor member might have made, or that the circumstances of the case may require. To the extent so charged, except as provided in this article, the judgment creditor has only the rights of an assignee or transferee of the membership interest. The membership interest charged may be redeemed at any time before foreclosure. If the sale is directed by the court, the membership interest may be

purchased without causing a dissolution with separate property by any one or more of the members. With the consent of all members whose membership interests are not being charged or sold, the membership interest may be purchased without causing a dissolution with property of the company. This act shall not deprive any member of the benefit of any exemption laws applicable to the member's membership interest.

Article 25 Deceased or incompetent members who are individuals - dissolved or terminated members who are legal entities.

(1) If a member who is an individual dies or a court of competent jurisdiction appoints a guardian or general conservator for the member, the member's executor, administrator, guardian, conservator, or other legal representative may exercise all of the powers of an assignee or transferee of the member.

(2) If a member other than an individual is dissolved or terminated, the legal representative or successor of the member may exercise all of the powers of an assignee or transferee of the member.

Article 26 Liability of members and managers.

Members and managers of companies are not liable under a judgment, decree, or order of a court, or in any other manner, for a debt, obligation, or liability of the company.

Article 27 Voting.

(1) Subject to the provisions of this act that require majority or unanimous consent, vote, or agreement of the members, the operating agreement may grant to all or a stated group of the members the right to consent, vote, or agree, on a per capita or other basis, upon any matter.

(2) Any member may vote in person or by proxy.

Article 28 Derivative proceeding - standing - definitions.

(1) A member may commence or maintain a derivative proceeding pursuant to this chapter 6only where:

(a) the member was a member of the company at the time of the act or omission complained of or the membership interest in such company thereafter devolved by operation of law; and

(b) it appears that the member fairly and adequately represents the interests of the members similarly situated in enforcing the right of the company.

(2) For purposes of thischapter 6, "derivative proceeding" means a civil suit in the right of a company.

Article 29 Derivative proceeding - demand.

(1) No member shall commence a derivative proceeding pursuant to this article 6unless:

(a) a written demand has been made upon the company to take suitable action; and

(b) thirty days have expired from the date the demand was made; except that the thirty-day limitation shall not be required where:

(I) the member has been notified prior to the expiration of the thirty-day period that the demand has been rejected by the company; or

(II) irreparable injury to the company would result from waiting for the expiration of the thirty-day period.

Article 30 Stay of derivative proceeding.

For the purpose of allowing the company time to undertake an inquiry into the allegations made in a demand or complaint commenced pursuant to this chapter 6, the court may stay any derivative proceeding for such period as the court deems appropriate.

Article 31 Dismissal of derivative proceeding.

(1) A derivative proceeding commenced pursuant to this chapter 4 shall be dismissed by the court on motion by the company if any one of the groups specified in paragraph (2) of this section has determined in good faith, after conducting an inquiry upon which the determination is based, that the maintenance of the derivative action is not in the best interests of the company.

(2) (a) Subject to the requirements of sub-paragraph (b) of this paragraph (2), the determination whether the maintenance of the derivative proceeding is in the best interests of the company shall be made by the independent manager of the company or, where there is more than one such manager, by a majority of said managers; except that, if there is no independent manager of the company or if the majority of such managers is unable to make the determination, the determination shall be made by a majority of the independent members of the company.

(b) If the determination is not made pursuant to sub-paragraph (a) of this paragraph (2), the determination shall be made by the person, or, in the case of more than one person, by a majority of such persons, sitting upon a panel of one or more persons appointed by a court upon motion filed with the court by the company for such purposes.

(3) The court shall appoint only independent persons to the panel described in sub-paragraph (b) of paragraph (2) of this article.

(4) None of the following shall by itself cause a person not to be considered independent for purposes of subsection (2) of this section:

(a) the naming of the person as a defendant in the derivative proceeding or as a person against whom action is demanded;

(b) the approval by such person of the act being challenged in the derivative proceeding or demand where the act did not result in personal benefit to such person;

(c) the making of the demand pursuant to article 29 or the commencement of the derivative proceeding pursuant to this section.

(5) Subject to article 32, a panel appointed by the court pursuant to sub-paragraph (b) of paragraph (2) of this article shall have such authority to continue, settle, or discontinue the derivative proceeding as the court may confer upon such panel.

(6) The plaintiff in the derivative proceeding shall have the burden of proving that any of the requirements of paragraphs (1) and (2) of this article have not been met.

Article 32 Discontinuance or settlement of derivative proceeding.

No derivative proceeding commenced pursuant to this chapter 6 shall be discontinued or settled without the approval of the court. Where the court determines that a proposed discontinuance or settlement will substantially affect the interests of the members of the company, the court shall direct that notice be given to the members affected.

Article 33 Payment of expenses - derivative proceeding.

On the termination of a derivative proceeding commenced pursuant to this chapter 6, where the

court finds that the proceeding has resulted in a substantial benefit to the company, the court may order the company to pay the plaintiff's reasonable expenses, including attorney fees, incurred by the plaintiff in connection with the maintenance of such proceeding. On the termination of a derivative proceeding commenced pursuant to this chapter 6, where the court finds that the proceeding was commenced or maintained without reasonable cause or for an improper purpose, the court may order the plaintiff to pay any of the defendant's reasonable expenses, including attorney fees, incurred by the defendant in connection with the defense of such proceeding.

Article 34 Access to and confidentiality of information - records - accounting.

(1) Each member of a company has the right, subject to such reasonable standards as may be established by the members or managers pursuant to article 34 (1), to inspect and copy at the expense of the requesting member the following records of the company from time to time upon reasonable demand for any purpose reasonably related to the member's interest as a member of the company:

(a) true and full information regarding the business and financial condition of the company, including written resolutions and minutes, if any, of the company;

(b) a copy of the company's tax returns, records and receipts for each year;

(c) a current list of the name and last-known business, residence, or mailing address of each member and manager;

(d) a copy of the company's statement of formation or statement of registration of existing company and a copy of any written operating agreement of the company;

(e) true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and that each member has agreed to contribute in the future, and the date on which each became a member; and

(f) other information regarding the affairs of the company as is just and reasonable.

(2) Each manager shall have the right to examine all of the information described in subparagraph (a) of paragraph (1) of this article for a purpose reasonably related to the position of manager.

(3) Each member of a company and each manager shall have the right to keep confidential from the members, for such period of time as the members or managers deem reasonable, any information that the members or managers reasonably believe to be in the nature of trade secrets or that the company is required by law or by agreement with a third party to keep confidential.

(4) A company may maintain its records in other than a written form if such form is capable of conversion into written form within a reasonable time.

(5) Any demand by a member under this section shall be in writing and shall state the purpose of the demand.

(6) A member of a company shall have the right to have a formal accounting of company affairs whenever circumstances render it just and reasonable.

CHAPTER 6 MANAGEMENT

Article 35 Designation of managers.

The members of a company, the statement of formation or statement of registration of existing company of which provides that management of the company is vested in one or more managers, may designate one or more persons to be managers. A manager who is an individual shall be eighteen years of age or older. Managers may be designated and removed by the consent of a majority of the members.

Article 36 Management of company.

(1) Except as provided in paragraph (2) of this article, decisions with respect to a company shall be made by a majority of the members or, if the company has one or more managers, by a majority of the managers.

(2) The consent of each member is necessary to:

(a) amend the statement of formation or statement of registration of existing company;

(b) amend the operating agreement; and

(c) authorize an act of the company that is not in the ordinary course of the business of the company.

(3) A person or persons who will be admitted as a member or members by unanimous consent, amend the operating agreement to be effective immediately before the admission of the person or persons.

Article 37 Officers and other agents.

(1) A company may have one or more officers or other agents with such acts, rights, duties, and authority as the company may determine. An officer or an agent who is an individual shall be eighteen years of age or older. Except as provided in paragraph (2) of this article, officers and other agents may be designated or removed, and their acts, rights, duties, and authority may be established, by the consent of a majority of the members or, if the company has one or more managers, by a majority of the managers.

(2) Officers and other agents may be given authority to do any act that is not in the ordinary course of the business of the company only with the consent of all of the members.

Article 38 Duties of members and managers.

(1) In addition to the duties established elsewhere in this act, the duties that each member in a company in which management is vested in the members and that each manager owes to the company include the duties to:

(a) account to the company and hold as trustee for it any property, profit, or benefit derived by the member or manager in the conduct or winding up of the company business or derived from a use by the member or manager of property of the company, including the appropriation of an opportunity of the company;

(b) refrain from dealing with the company in the conduct or winding up of the company business as or on behalf of a party having an interest adverse to the company; and

(c) refrain from competing with the company in the conduct of the company business before the dissolution of the company.

(2) Each member in a company, the statement of formation or statement of registration of existing company of which provides that management is vested in the members, and each manager owes to the company a duty of care in the conduct and winding up of the business of the company, which shall be limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

(3) Each member and each manager shall discharge the member's or manager's duties to the company and exercise any rights consistently with the contractual obligation of good faith and fair dealing.

(4) A member in a company, the statement of formation or statement of registration of existing company of which provides that management is vested in the members, or a manager does not violate a duty or obligation to the company solely because the member's or manager's conduct furthers the member's or manager's own interest.

(5) A member or a manager may lend money to, and transact other business with, the company, and as to each loan or transaction the rights and obligations of the member or manager may be exercised or performed in the same manner as those of a person who is not a member or manager, subject to other applicable law.

Article 39 Members and managers as agents of the company.

(1) If the statement of formation or statement of registration of existing company provides that management of the company is vested in one or more managers:

(a) a member is not an agent of the company and has no authority to bind the company solely by virtue of being a member; and

(b) each manager is an agent of the company for the purposes of its business and an act of a manager, including the execution of an instrument in the name of the company, for apparently carrying on in the ordinary course the business of the company or business of the kind carried on by the company binds the company, unless the manager had no authority to act for the company in the particular matter and the person with whom the manager was dealing had notice that the manager lacked authority.

(2) If the statement of formation or statement of registration of existing company provides that management of the company is vested in the members, each member is an agent of the company for the purposes of its business and an act of a member, including the execution of an instrument in the name of the company, for apparently carrying on in the ordinary course the business of the company or business of the kind carried on by the company binds the company, unless the member had no authority to act for the company in the particular matter and the person with whom the member was dealing had notice that the member lacked authority.

Article 40 Reimbursement and indemnification of members and managers.

A company shall reimburse a person who is or was a member or manager for payments made, and indemnify a person who is or was a member or manager for liabilities incurred by the person, in the ordinary course of the business of the company or for the preservation of its business or property, if such payments were made or liabilities incurred without violation of the person's duties to the company.

CHAPTER 7

FINANCE

Article 41 Form of contribution.

The contribution of a member may be in cash, property, or services rendered or a promissory note or other obligation to contribute cash or property or to perform services. A person may be admitted to a company as a member of the company and may receive a membership interest in the company without making a contribution or being obligated to make a contribution to the company. Unless otherwise provided in the operating agreement, a person may be admitted to a company as a member of the company without acquiring a membership interest in the company. Unless otherwise provided in the operating agreement, a person may be admitted as the sole member of a company without making a contribution or being obligated to make a contribution to the company or without acquiring a membership interest in the company.

Article 42 Liability for contributions.

(1) A member is obligated to the company to perform any enforceable promise to contribute cash or property or to perform services, even if the member is unable to perform because of death, disability, or any other reason. If a member does not make the required contribution of property or services, the member is obligated at the option of the company to contribute cash equal to that portion of the value, as stated in the company records required to be kept by article 40, of such contribution that has not been made.

(2) The obligation of a member to make a contribution or return money or other property paid or distributed in violation of this chapter may be compromised only by consent in writing of all the members. Notwithstanding the compromise, a creditor of a company who extends credit or otherwise acts in reliance on the original obligation may enforce the original obligation.

(3) No promise by a member to contribute to the company is enforceable unless set out in a writing signed by the member.

Article 43 Sharing of profits and losses.

The profits and losses of a company shall be allocated among the members and among classes of members on the basis of the value, as stated in the company records required to be kept pursuant to article 40, of the contributions made by each member.

CHAPTER 8

DISTRIBUTIONS AND RESIGNATION

Article 44 Interim distributions.

Except as provided in this chapter 9, a member is entitled to receive distributions from a company before the member's resignation from the company and before the dissolution and winding up thereof to the extent and at the times or upon the happening of the events stated in the operating agreement or as otherwise agreed by all of the members.

Article 45 Resignation of member.

A member may resign from a company at any time by giving notice to the other members, but, if the resignation violates the operating agreement, the company may recover from the resigning member damages for breach of the operating agreement and offset the damages against the amount otherwise distributable to the resigning member.

Article 46 Interest of member upon resignation.

A member who has resigned shall have no right to participate in the management of the business and affairs of the company and is entitled only to receive the share of the profits or other compensation by way of income and the return of contributions, to which such member would have been entitled if the member had not resigned.

Article 47 Distribution in kind.

A member, regardless of the nature of the member's contribution, has no right to demand and receive any distribution from a company in any form other than cash. A member may not be compelled to accept a distribution of any asset in kind from a company to the extent that the percentage of the asset distributed to the member exceeds a percentage of that asset that is equal to the percentage in which the member shares in distributions from the company.

Article 48 Right to distribution.

At the time a member becomes entitled to receive a distribution, the member has the status of and is entitled to all remedies available to a creditor of the company with respect to the distribution.

Article 49 Limitations on distribution.

(1) A company shall not make a distribution to a member to the extent that at the time of distribution, after giving effect to the distribution, all liabilities of the company, other than liabilities to members on account of their membership interests and liabilities for which the recourse of creditors is limited to a specific property of the company, exceed the fair value of the assets of the company; except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the company only to the extent that the fair value of that property exceeds that liability. For purposes of this paragraph (1), the term "distribution" shall not include payments to the extent that the payments do not exceed amounts equal to or constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

(2) A member who receives a distribution in violation of paragraph (1) of this article, and who knew at the time of the distribution that the distribution violated paragraph (1) of this article, shall be liable to the company for the amount of the distribution. A member who receives a distribution in violation of paragraph (1) of this article, and who did not know at the time of the distribution that the distribution violated paragraph (1) of this article, shall not be liable for the amount of the distribution. Subject to paragraph (3) of this article, this paragraph (2) shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

(3) Unless otherwise agreed, a member who receives a distribution from a company shall have no liability under this act or other applicable law for the amount of the distribution after the

expiration of three years from the date of the distribution unless an action to recover the distribution from such member is commenced prior to the expiration of the said three-year period and an adjudication of liability against such member is made in the said action.

CHAPTER 9

MERGER OF ENTITIES

Article 50 Merger of entities.

(1) One or more companies may merge into another company pursuant to a plan of merger approved pursuant to article 53.

(2) One or more companies may merge into a foreign entity of a form the same as or different from that of any of the merging entities, or one or more foreign entities may merge into a company, pursuant to a plan of merger approved, in the case of a company, pursuant to article 53, if the merger is not prohibited by the constituent documents or organic statutes of each foreign entity and if each foreign entity complies with all of the requirements, if any, of its constituent documents and organic statutes in effecting the merger.

Article 51 Plan of merger.

(1) A plan of merger shall state:

(a) the company name or, for an entity that has no company name, the true name, the jurisdiction under the law of which the entity is formed, and the form of entity of each of the merging entities;

(b) the company name or, for an entity that has no company name, the true name, the jurisdiction under the law of which the entity is formed, and the form of the surviving entity into which the merging entities are to merge;

(c) the terms and conditions of the merger, including the manner and basis of changing the owners' interests of each merging entity into owners' interests or obligations of the surviving entity or into money or other property in whole or in part; and

(d) if the surviving entity is a company, any amendments to the constituent documents of the surviving company to be effected by the merger.

Article 52 Approval of plan of merger.

(1) The plan of merger shall be approved:

(a) in accordance with the provisions of the constituent documents dealing with mergers of the type, and with entities of the forms, described in the plan of merger;

(b) if there are no such provisions, in accordance with the provisions of the constituent documents that contain the most stringent terms for approval of a merger;

(c) if there are no such provisions, in accordance with the provisions of the company's organic statutes dealing with mergers of the type, and with entities of the forms, described in the plan of merger;

(d) if there are no such provisions, in accordance with the provisions of the company's organic statutes that contain the most stringent terms for approval of a merger;

(e) if neither the constituent documents nor the organic statutes expressly provide for the approval of the merger, in accordance with the provisions for amendment of the constituent documents set forth in the organic statutes and the constituent documents; or

(f) if neither the constituent documents nor the organic statutes expressly provide for a merger or for the approval of an amendment to the constituent documents, by all of the members of the company.

(2) For purposes of this article, the provisions of the company's organic statutes and constituent documents applicable to approval of the plan of merger include provisions relating to any preliminary approval by managers for submission to the members, notices, quorum, voting, and consent by members or third parties. References in this article to the most stringent provisions of the constituent documents or organic statutes are references to those provisions of such documents or statutes that establish the highest voting requirements for approval of a merger. Nothing in this section shall be deemed to permit any constituent document to contain merger provisions that are proscribed by the company's organic statutes.

Article 53 Statement of merger - when merger effective.

(1) After a merger is approved in accordance with article 53, if any merging entity is an entity for which a statement of formation or statement of registration of existing company is on file in the records of the minister of commerce, the surviving entity shall deliver to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of merger that shall state:

(a) the company name or, for an entity that has no company name, the true name of each merging entity, its principal address, the jurisdiction under the law of which it is formed, and its form of entity;

(b) the company name or, for an entity that has no company name, the true name of the surviving entity, its principal address, the jurisdiction under the law of which it is formed, and its form of entity;

(c) that each merging entity is merged into the surviving entity;

and

(d) any other matters relating to the merger the surviving entity determines to include therein.

(2) If the surviving entity is a company and if the plan of merger provides for amendments to any constituent filed document of the surviving company, an appropriate statement of change or other document effecting the amendments shall be delivered to the minister of commerce for filing pursuant to chapter 16 of this act;

(3) After a merger is approved in accordance with article 53, if no merging entity is an entity for which a statement of formation or statement of registration of existing company is on file in the records of the minister of commerce, the surviving entity shall deliver to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of merger that shall state:

(a) the true name of each merging entity, its principal address, the jurisdiction under the law of which it is formed, and its form of entity;

(b) the company name of the surviving entity and its principal address;

(c) that each merging entity is merged into the surviving entity; and

(d) any other matters relating to the merger that the surviving entity determines to include therein;

(4) If the plan of merger provides for amendments to any constituent filed document of the surviving company, the surviving company shall cause an appropriate statement of change or other document effecting the amendments to be delivered to the minister of commerce for filing pursuant to chapter 16 of this act.

(5) The merger shall become effective as specified by the organic statutes. If the organic

statutes do not specify an effective date, the merger takes effect at the time and on the date the statement of merger becomes effective as determined pursuant to article 89.

Article 54 Effect of merger.

(1) When a merger is effective:

(a) every merging entity merges into the surviving entity and the separate existence of every merging entity ceases. All of the rights, privileges, and powers of each of the merging entities, all real, personal, and mixed property, and all obligations due to each of the merging entities, as well as all other things and causes of action of each of the merging entities, shall vest as a matter of law in the surviving entity and shall thereafter be the rights, privileges, powers, and property of, and obligations due to, the surviving entity. Title to any property vested in any of the merging entities shall not revert or be in any way impaired by reason of the merger; except that all rights of creditors in and all liens upon any property of any of the merging entities shall be preserved unimpaired in the same property, however held. All obligations of the merging entities shall attach as a matter of law to the surviving entity and may be fully enforced against the surviving entity. A merger does not constitute a conveyance, transfer, or assignment. Nothing in this section affects the validity of contract provisions or of reversions or other forms of act limitations that attach conditions or consequences specifically to mergers.

(b) any owner who was liable for the obligation of any merging entity solely by reason of being an owner of the merging entity, but who will otherwise not be liable for the obligation of the surviving entity, remains liable for the obligations of the merging entity incurred before the merger unless a contract giving rise to the obligation provides otherwise.

(c) unless otherwise provided in the constituent documents or required under the organic statutes, no merging entity shall be required to wind up its affairs or pay obligations and distribute assets, and the merger shall not be deemed to constitute a dissolution or liquidation of the merging entity. Unless otherwise provided in the constituent documents of a constituent entity or as required under the organic statutes, any payments in cash or in kind to owners of the constituent entity pursuant to the plan of merger shall not be deemed to constitute a dividend, liquidating distribution, or other distribution that gives rise to contractual distributional preference rights.

Article 55 Foreign entity surviving merger.

(1) Upon the merger of one or more companies and a foreign entity in which the foreign entity is the surviving entity, the foreign entity:

(a) shall appoint a person to accept service in any proceeding to enforce any obligation or rights of dissenting owners of any company party to the merger or in any proceeding based on a cause of action arising with respect to any company party to the merger;

(b) shall promptly pay to the dissenting owners of each company party to the merger the amount, if any, to which they are entitled under the organic statutes; and

(c) shall comply with all applicable law of The Republic of Somaliland regarding the transaction of business by a foreign entity in The Republic of Somaliland if it is to transact business or conduct activities in The Republic of Somaliland.

Article 56 Dissenters' rights, prohibitions, restrictions, and requirements upon merger.

(1) To the extent that any organic statute or other law expressly prohibits or restricts the right of

any entity to merge with any other form of entity, grants dissenters' rights with respect to such merger, or imposes requirements on such merger, any merger of such entity under this article shall be subject to such restriction, entitle its owners to such dissenters' rights, and be subject to such requirements.

(3) Unless otherwise provided in the plan of merger, if an entity is merged into another form of entity in a transaction in which dissenters' rights are applicable, an owner of the merged entity who consents to the merger or who does not consent to the merger and who does not exercise dissenters' rights shall become an owner of the surviving entity and shall be deemed to be a party to, and to be bound by, the constituent operating document of the surviving entity.

CHAPTER 10 DISSOLUTION

PART 1 VOLUNTARY DISSOLUTION

Article 57 Dissolution - time of dissolution.

(1) A company is dissolved:

- (a) upon the agreement of all members;
- (b) at the time or upon the occurrence of the events stated in the operating agreement; or
- (c) after the company ceases to have members, on the earlier of:
 - (I) the ninety-first day after the company ceases to have members unless, prior to that date, a person has been admitted as a member; or
 - (II) the date on which a statement of dissolution of the company becomes effective pursuant to article 89

Article 58 Statement of dissolution – notice of dissolution.

(1) Upon dissolution, the company shall deliver to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of dissolution stating:

- (a) the company name of the company;
 - (b) the principal office address of the company's principal office; and
 - (c) that the company is dissolved as provided in article 58.
- (2) For purposes of articles 38 and 55, a person who is not a manager or member has notice of the dissolution of a company on the earlier of:
- (a) the ninetieth day after the company's statement of dissolution is on file in the records of the minister of commerce; or
 - (b) the date on which such person first has actual knowledge of the dissolution.

Article 59 Effect of dissolution.

(1) A dissolved company continues its existence as a company but shall not carry on any business except as is appropriate to wind up and liquidate its business and affairs, including:

- (a) collecting its assets;
- (b) disposing of its properties that will not be distributed in kind to its members;
- (c) discharging or making provision for discharging its liabilities;
- (d) distributing its remaining property among its members; and
- (e) doing every other act necessary to wind up and liquidate its business and affairs.

- (2) A dissolved company may dispose of claims against it pursuant to articles 70 and 71.

Article 60 Right to wind up business.

(1) After dissolution, the manager or, if there is no manager, any member may wind up the company's business, but on application of any member, member's legal representative, or member's assignee or transferee, the court, for good cause shown, may order judicial supervision of the winding up.

(2) The legal representative, assignee, or transferee of the last remaining member may wind up the company's business if the company dissolves.

(3) A person winding up a company's business may preserve the business or property as a going concern for a reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or administrative, settle disputes, settle and close the company's business, dispose of and transfer the company's property, discharge or provide for obligations of the company, distribute the assets of the company pursuant to article 60 (1) (d), and perform other necessary acts.

Article 61 Manager's or member's power to bind company after dissolution.

(1) Subject to article 59 (3), a company is bound by a manager's act or, in the case of a company, the statement of formation or statement of registration of existing company of which provides that management is vested in members, a member's act after dissolution that:

- (a) is appropriate for winding up the company's business; or
- (b) would have bound the company under article 38 before dissolution, if the other party to the transaction did not have notice of the dissolution.

**PART 2
JUDICIAL DISSOLUTION**

Article 62 Judicial dissolution.

(1) A company may be dissolved in a proceeding by the attorney general if it is established that:

- (a) the company obtained its statement of formation or statement of registration of existing company through fraud; or
- (b) the company has continued to exceed or abuse the authority conferred upon it by law.

(2) A company may be dissolved in a proceeding by or for a member or manager of the company if it is established that it is not reasonably practicable to carry on the business of the company in conformity with the operating agreement of said company.

(3) A company may be dissolved in a proceeding by a creditor of the company if it is established that:

- (a) the creditor's claim has been reduced to judgment, execution upon such judgment has been returned unsatisfied, and the company is insolvent; or
- (b) the company is insolvent and the company has admitted in writing that the creditor's claim is due and owing.

(4) (a) If a company has been dissolved by voluntary action taken under part 1 of this chapter 11:

(I) the company may bring a proceeding to wind up and liquidate its business and affairs under judicial supervision in accordance with article 60; and

(II) the attorney general, a member, a manager, or a creditor, as the case may be, may

bring a proceeding to wind up and liquidate the business and affairs of the company under judicial supervision in accordance with article 60, upon establishing the grounds set forth for such person, respectively, in paragraphs (1) to (3) of this article.

(b) As used in article 64 to 66, a "judicial proceeding brought to dissolve a company" includes a proceeding brought under this paragraph (4), and a "decree of dissolution" includes an order of court entered in a proceeding under this paragraph (4) that directs that the business and affairs of a company shall be wound up and liquidated under judicial supervision.

Article 63 Procedure for judicial dissolution.

(1) A judicial proceeding by the attorney general to dissolve a company shall be brought in the court for the judicial region in The Republic of Somaliland in which the street address of the company's principal office is located or, if the company has no principal office in The Republic of Somaliland, in the court for the judicial region of Hargeisa. A judicial proceeding brought by any other party named in article 63 to dissolve a company shall be brought in the court for the judicial region in The Republic of Somaliland in which the street address of the company's principal office is located or, if it has no principal office in The Republic of Somaliland, in the court for the judicial region of Hargeisa.

(2) It is not necessary to make managers or members parties to a judicial proceeding to dissolve a company unless relief is sought against them individually.

(3) A court in a judicial proceeding brought to dissolve a company may issue injunctions, appoint a receiver or custodian pendente lite with all powers and duties the court directs, take other action required to preserve the company's assets wherever located, and carry on the business of the company until a full hearing can be held.

Article 64 Receivership or custodianship.

(1) A court in a judicial proceeding brought to dissolve a company may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the business and affairs of the company. The court shall hold a hearing, after giving notice to all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian. The court appointing a receiver or custodian has exclusive jurisdiction over the company and all of its property, wherever located.

(2) The court may appoint an individual or a domestic entity as a receiver or custodian. The court may require the receiver or custodian to post bond, with or without sureties, in an amount the court directs.

(3) The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:

(a) The receiver:

(I) may dispose of all or any part of the property of the company wherever located, at a public or private sale, if authorized by the court; and

(II) may sue and defend in the receiver's own name as receiver of the company in all courts; or

(b) The custodian, with the authority of a manager of a company, the statement of formation or statement of registration of existing company of which provides that it is to be managed by managers, may exercise all of the powers of the company, through or in place of its managers or members, to the extent necessary to manage the affairs of the company in the best interests of its members and creditors.

(4) The court during a receivership may redesignate the receiver a custodian, and during a custodianship may redesignate the custodian a receiver, if doing so is in the best interests of the company and its members and creditors.

(5) The court from time to time during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to the receiver or custodian and such person's counsel from the assets of the company or proceeds from the sale of the assets.

Article 65 Decree of dissolution.

(1) If, in a judicial proceeding brought to dissolve a company, after a hearing the court determines that one or more grounds for judicial dissolution described article 63 exist, it may enter a decree dissolving the company and stating the effective date of the dissolution, and the clerk of the court shall deliver a certified copy of the decree to the minister of commerce for filing pursuant to chapter 16 of this act.

(2) After entering the decree of dissolution, the court shall direct the winding up and liquidation of the company's business and affairs in accordance with article 60 and the giving of notice to claimants in accordance with articles 70 and 71.

(3) The court's order or decision may be appealed as in other civil proceedings.

PART 3 DISSOLUTION UPON EXPIRATION OF TERM - DISSOLUTION OF DELINQUENT COMPANY

Article 66 Dissolution upon expiration of term.

(1) A company shall automatically dissolve upon the expiration of the period of duration, if any, stated in its statement of formation or statement of registration of existing company.

Article 67 Dissolution of delinquent company.

(1) If a delinquent company has failed to cure its delinquency for three years or more, any manager of the company may cause it to dissolve by delivering to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of dissolution of delinquent company stating:

- (a) the company name of the delinquent company;
- (b) the principal office address of the delinquent company's principal office;
- (c) that the company is delinquent and has failed to cure its delinquency for three years or more; and

- (d) that, at least thirty days prior to the delivery of the statement of dissolution of delinquent company to the minister of commerce, the delinquent company has delivered written notice of the delinquent company's plan to file a statement of dissolution of delinquent company to all owners and other persons having authority under the organic statutes and under its constituent operating document to bring about or prevent dissolution of the company and the delinquent company has not received, as of the date the statement of dissolution of delinquent company is delivered for filing to the minister of commerce, written objections to dissolution from such number of such owners and other persons as would be sufficient to prevent voluntary

dissolution of the delinquent company under the organic statutes and its constituent operating document.

(2) A delinquent company is dissolved upon the effective date of its statement of dissolution of delinquent company.

Article 68 Effect of dissolution under article 67 or 68.

A company that is dissolved pursuant to article 67 or 68 continues its existence but may not carry on any business except as is appropriate to wind up and liquidate its business and affairs, and to give notice to claimants, in accordance with the organic statutes.

PART 4

**NOTICE TO CREDITORS BY DISSOLVED COMPANIES -
ENFORCEMENT OF CLAIMS AGAINST DISSOLVED COMPANIES**

Article 69 Disposition of known claims by notification.

(1) A dissolved company may dispose of claims against it by following the procedures described in this section.

(2) A dissolved company may deliver written notice under this paragraph (2) to any person at any time on or after the effective date of the dissolution. The notice contemplated in this paragraph (2) shall state that, unless sooner barred by any other statute limiting actions, any claim of that person against the dissolved company will be barred if an action to enforce the claim is not commenced by a deadline that is stated in the notice, which deadline shall not be less than two years after the delivery of notice. The notice may contain such other information as the dissolved company determines to include, including information regarding procedures facilitating the processing of claims against the dissolved company; except that no obligations on persons having claims against the dissolved company shall be imposed or implied that do not exist at law.

(3) Unless sooner barred by any other statute limiting actions, a person's claim against the dissolved company is barred if the dissolved company delivers a notice of dissolution as contemplated by paragraph (2) of this article and an action to enforce the claim is not commenced by the deadline stated in the notice.

(4) (a) For purposes of this section, "claim" does not include a contingent liability or a claim based on an event occurring after the effective date of dissolution. For purposes of this section, an action to enforce a claim includes an arbitration under any agreement for binding arbitration between the dissolved company and the person making the claim and includes a civil action.

Article 70 Disposition of claims by publication.

(1) A dissolved company may publish notice of its dissolution and request that persons with claims against the dissolved company present them in accordance with the notice.

(2) The notice contemplated in paragraph (1) of this article shall:

(a) Be published one time in a newspaper of general circulation in the political subdivision in The Republic of Somaliland in which the street address of the dissolved company's principal office is or was last located; and

(b) State that, unless sooner barred by any other statute limiting actions, any claim against the dissolved company will be barred if an action to enforce the claim is not commenced

within five years after the publication of the notice or within four months after the claim arises, whichever is later. The notice may contain such other information as the dissolved company determines to include, including information regarding procedures facilitating the processing of claims against the dissolved company; except that no obligations on persons having claims against the dissolved company shall be imposed or implied that do not exist at law.

(3) If the dissolved company publishes a notice in accordance with paragraph (2) of this article, then, unless sooner barred under article 70 or under any other statute limiting actions, the claim of any person against the dissolved company is barred unless the person commences an action to enforce the claim within five years after the publication date of the notice or within four months after the claim arises, whichever is later.

(4) For purposes of this section and except where permitted to be disposed of under article 70, "claim" means any claim, excluding claims of The Republic of Somaliland, whether known, due or to become due, absolute or contingent, liquidated or unliquidated, founded on contract, tort, or other legal basis, or otherwise. For purposes of this section, an action to enforce a claim includes an arbitration under any agreement for binding arbitration between the dissolved company and the person making the claim and includes a civil action.

(5) This section shall not apply to a claim with respect to which notice has been delivered by a dissolved company under article 70.

Article 71 Enforcement of claims against a dissolved company.

(1) A claim may be enforced under article 70 and 71:

(a) against the dissolved company to the extent of its undistributed assets; and
(b) if assets have been distributed in liquidation, against an owner of the dissolved company; except that an owner's total liability for all claims under this section shall not exceed the total value of assets distributed to the owner, as such value is determined at the time of distribution. Any owner required to return any portion of the value of assets received by the owner in liquidation shall be entitled to contribution from all other owners. Each such contribution shall be in accordance with the contributing owner's rights and interests and shall not exceed the value of the assets received by the contributing owner in liquidation.

CHAPTER 11

ANNUAL REPORTS

Article 72 Annual reports.

(1) Each reporting entity shall deliver to the minister of commerce, for filing pursuant to chapter 16 of this act, an annual report that states its entity name and the principal office address of its principal office and that identifies the activity or activities being conducted by it by use of a self-classification code or codes in the manner prescribed by the minister of commerce by regulation.

(2) (a) A reporting entity shall deliver its first annual report to the minister of commerce, for filing pursuant to chapter 16 of this act, no later than the last day of the second calendar month following the first anniversary of the calendar month in which the reporting entity's statement of formation, statement of registration of existing company or statement of existing foreign entity authority became effective or, in the case of a reporting entity that has been reinstated or that has cured its delinquency, no later than the last day of the second

calendar month following the first anniversary of the calendar month in which the reinstatement or curing of delinquency occurred. Thereafter, the annual report of each reporting entity shall be delivered annually.

(b) Information in the annual report shall be current as of the date the annual report is delivered to the minister of commerce, for filing pursuant to chapter 16 of this act. No annual report shall state a delayed effective date.

(3) Each reporting entity that fails or refuses to deliver to the minister of commerce an annual report for filing on or before the due date prescribed by paragraph (2) of this article and pay the prescribed processing fee is subject to a penalty, which shall be determined and collected pursuant to article 88, and such entity shall no longer be in good standing

CHAPTER 12

DELINQUENCY

Article 73 Grounds for delinquency.

(1) A domestic entity may be become delinquent under article 76 if it does not:

- (a) pay any fee or penalty imposed by this act when it is due; or
- (b) comply with article 13 of this act, providing for reports from reporting entities.

(2) A foreign entity that is a reporting entity may become delinquent under article 76 if:

- (a) it does not pay any fee or penalty imposed by this act when it is due;
- (b) it does not comply with article 13 of this act, providing for reports from reporting entities;

(c) it does not deliver to the minister of commerce, for filing pursuant to article 16 of this act, an appropriate statement of change when necessary to make its statement of foreign entity authority true in all respects; or

(d) the minister of commerce receives a duly authenticated certificate from the official having custody of entity records in the jurisdiction under the law of which the foreign entity was formed to the effect that it no longer exists as the result of a dissolution or merger or otherwise.

Article 74 Delinquency.

(1) If the minister of commerce determines that one or more grounds exist under article 75 for an entity becoming delinquent and the entity does not correct each such ground or demonstrate to the reasonable satisfaction of the minister of commerce that such ground does not exist within sixty days after the minister of commerce makes such determination, the entity becomes delinquent following the expiration of such sixty days.

(2) An existing company and an existing foreign entity become delinquent immediately if the minister of commerce determines that it has failed to deliver a statement of registration of existing company or a statement of existing foreign entity authority, as the case may be, to the minister of commerce, for filing pursuant to chapter 16 of this act, within [30] days after the date of the effectiveness of this act.

Article 75 Effect of delinquency.

(1) A delinquent entity may not maintain a proceeding in any court in The Republic of Somaliland for the collection of its debts or to enforce other obligation until it has cured its delinquency pursuant to article 78 (1), (2), or (3).

(2) A court may stay a proceeding commenced by an entity until it determines whether the entity is delinquent. If the court determines that the entity is delinquent, it may further stay the proceeding until the entity cures its delinquency pursuant to article 78. If a delinquent entity cures its delinquency in accordance with article 78, no proceeding in any court in The Republic of Somaliland to which such entity is a party shall thereafter be dismissed by reason of that instance of delinquency.

(3) The existence of a company continues notwithstanding its delinquency.

(4) A delinquent company may be dissolved at any time and by any manner as may be provided or permitted by its constituent documents and organic statutes and, if it has failed to cure its delinquency for three years or more, the delinquent company may be dissolved pursuant to article 68.

Article 76 Cure of delinquency.

(1) A delinquent entity may cure its delinquency:

(a) in the case of a delinquent company other than an existing company or existing foreign entity that has become delinquent under paragraph (2) of article 76, by delivering to the minister of commerce, for filing pursuant to article 16 of this act, a statement curing delinquency stating the company's principal office address and the activity or activities being conducted by the company by use of a self-classification code or codes in the manner prescribed by the minister of commerce by regulation;

(b) in the case of a delinquent existing company or existing foreign entity that has become delinquent under paragraph (2) of article 76, by delivering to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of registration of existing company or statement of existing foreign entity authority, as the case may be, that complies with the requirements of chapter 17 of this act.

(2) In lieu of curing its delinquency pursuant to paragraph (1) of this article, a delinquent foreign entity or delinquent existing foreign entity may cure its delinquency by delivering to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of foreign entity withdrawal.

(3) A delinquent company may cure its delinquency by dissolving.

(4) (a) Except as provided in sub-paragraph (b) and (c) of this paragraph (4), the company name of a company following the curing of its delinquency shall be the same as the company name, determined without regard to article 18, of the company at the time the company cures its delinquency if such company name complies with article 16 at the time the company cures its delinquency. If such entity name would not be distinguishable on the records of the minister of commerce as contemplated in article 16, the company name of the company following curing of its delinquency shall be such company name followed by the words "delinquency cured" and the month, day, and year of the effective date of the statement curing delinquency.

(b) In the case of a company that cures its delinquency pursuant to paragraph (2) of this article, the company name of the company shall be its company name at the time it cures its delinquency, determined without regard to article 18, as changed by article 17.

(c) In the case of foreign entity or existing foreign entity that cures its delinquency pursuant to paragraph (2) of this article, the foreign entity name of the foreign entity shall be its foreign name at the time it cures its delinquency, determined without regard to article 18, as changed by article 17.

Article 77 Appeal from declaration of delinquency.

(1) A company may appeal a determination under article 76 that it is delinquent to the supreme court thirty days after the effective date of its delinquency. The company shall commence such appeal by petitioning the court to set aside its delinquency or to determine that the company has cured its delinquency and attaching to the petition copies of such documents on file in the records of the minister of commerce records as may be relevant.

(2) The court may summarily order the minister of commerce to take whatever action the court considers appropriate or may take any other action the court considers appropriate.

**CHAPTER 15
REINSTATEMENT OF DISSOLVED COMPANIES**

Article 78 Reinstatement after dissolution.

Any company that has been dissolved may be reinstated under this chapter 15.

Article 79 Vote or consent required - effect of opposition.

(1) A dissolved company may be reinstated upon compliance with the following conditions:

(a) the affirmative vote or consent shall have been obtained from owners and other persons entitled to vote or consent at that time that is:

(I) required for reinstatement under its constituent operating document; or

(II) if its constituent operating document does not state the vote or consent required for reinstatement, sufficient for dissolution under the organic statutes, or such greater or lesser vote or consent as is required for dissolution under its constituent operating document;

(b) except as otherwise provided in the constituent operating document, the owners and other persons having authority under the company's organic statutes and under its constituent operating document to bring about or prevent dissolution of the company shall not have, before or at the time of the vote or consent required by sub-paragraph (a) of this paragraph (1), voted against reinstatement or delivered to the company their written objection to reinstatement;

(c) in the case of a company dissolved in an involuntary or judicial proceeding initiated by one or more of the owners, the affirmative vote or consent of each such owner shall have been obtained and shall be included in the vote or consent required by sub-paragraph (a) of this paragraph (1);

(d) in the case of a company dissolved in a proceeding initiated by one or more creditors of the company, the obligations of the company to each such creditor shall have been satisfied or discharged in full; and

(e) in the case of a company dissolved in a proceeding initiated by the attorney general, all grounds for the dissolution asserted by the attorney general shall have been remedied, and the attorney general shall have consented to the reinstatement.

(2) To the extent that a company's constituent operating document or the organic statutes provide for the voting rights of owners or other persons, for the calling of meetings, for notices of meetings, for consents and actions of owners and other persons without a meeting, for establishing a record date for meetings, or for other matters concerning the voting or consent of owners and other persons, such provisions shall govern the vote or consent required by sub-paragraph (a) of paragraph (1) of this section with respect to the company and the vote or

objection of owners and other persons provided for in paragraph (b) of paragraph (1) of this section with respect to the company.

Article 80 Reinstatement.

(1) In order to reinstate a company under this chapter 15, a reinstatement shall be delivered to the minister of commerce, for filing pursuant to chapter 16 of this act, stating:

- (a) the company name of the company;
 - (b) the company name of the company following reinstatement, which entity name shall comply with article 83;
 - (c) the date of formation or registration of the company;
 - (d) the date of dissolution of the company;
 - (e) a statement that all applicable conditions of article 81 have been satisfied; and
 - (f) the principal office address of the company's principal office;
- and identifying the activity or activities being conducted by the company by use of a self-classification code or codes in the manner prescribed by the minister of commerce by regulation.

Article 81 Entity name upon reinstatement.

The company name of a company following reinstatement shall be the company name, determined without regard to article 17, of the company at the time of reinstatement if such company name complies with article 16 at the time of reinstatement. If that company name does not comply with article 16, the company name of the company following reinstatement shall be that company name followed by the word "reinstated" and the month, day, and year of the effective date of the reinstatement.

Article 82 Effect of reinstatement.

- (1) Subject to paragraph (2) of this section, upon reinstatement, the existence of the company shall be deemed for all purposes to have continued without interruption; the company resumes carrying on its business or conducting its activities as if dissolution had never occurred; and any debt, obligation, or liability incurred by the company or an owner or manager of the company before or after the dissolution shall be determined as if dissolution had never occurred.
- (2) The rights of owners and other persons arising by reason of reliance on the dissolution before those persons had notice of the reinstatement shall not be adversely affected by the reinstatement.

CHAPTER 14 FILING DOCUMENTS AND ADMINISTRATION

Article 83 Filing requirements.

- (1) (a) Each document that is required or permitted to be filed in the records of the minister of commerce pursuant to any provision of this act shall be subject to this chapter 16.

(b) To be entitled to be filed pursuant to this chapter 16, a document shall comply with the requirements of this section and the requirements of any other law of The Republic of Somaliland that adds to or varies the requirements of this chapter 16.

(c) Any provision in this act that provides for filing of a document in the records of the minister of commerce shall be deemed to mean delivery of the document to the minister of commerce, for filing pursuant to this chapter 16.

(2) Notwithstanding the general recognition in sub-paragraph (b) of paragraph (1) of this article of requirements of other law of The Republic of Somaliland that may add to or vary the requirements of this part 3, and notwithstanding any other provision of this act or any other organic statute or other law of The Republic of Somaliland requiring the signature of any person on, or execution by any person of, a document, no such signature or execution shall be required as a condition to its being filed pursuant to this chapter 16.

(3) The document shall contain all information required by the law of The Republic of Somaliland to be contained in the document but, unless otherwise provided by law, shall not contain other information.

(4) The document shall be on or in such medium as may be acceptable to the minister of commerce and from which the minister of commerce may create a document that contains all of the information stated in the document and that is typewritten or printed on paper. The minister of commerce may require that the document be delivered by any one or more means or on or in any one or more media as may be acceptable to the minister of commerce. The minister of commerce is not required to file a document that is not delivered by a means and in a medium that complies with the requirements then established by the minister of commerce for the delivery and filing of documents. If the minister of commerce permits a document to be delivered on paper, the document shall be typewritten or machine printed, and the minister of commerce may impose reasonable requirements upon the dimensions, legibility, quality, and color of such paper and typewriting or printing. The minister of commerce may, in the manner prescribed by the minister of commerce by regulation, impose reasonable requirements upon the format and other attributes of any document that is delivered electronically. The minister of commerce shall ensure, at the earliest practicable time, that delivery of a document subject to this chapter 16 for filing may be accomplished electronically, without the necessity for the delivery of a physical original document or the image thereof, if all required information is delivered and is readily retrievable from the data delivered. If the delivery of a document subject to this chapter 16 for filing is required to be accomplished electronically, such document shall not be accompanied by any physical document unless the minister of commerce permits such accompaniment in the manner prescribed by the minister of commerce by regulation.

(5) The document shall be in the Somali or English language. The entity name of any entity contained in the document need not be in Somali or English if expressed in Somali or English letters or Arabic or roman numerals.

(6) The document shall state the section or sections of the organic statutes or other law, other than this chapter 16, pursuant to which it is delivered to the minister of commerce for filing pursuant to this chapter 16.

(7) The document shall state the true name or true names, and mailing address or mailing addresses, of any one or more of the individuals who cause the document to be delivered for filing, but the document need not state the true name and address of more than one such individual.

(8) The document shall include any form or cover sheet, or both, required pursuant to article 87.

(9) The document shall be delivered to the minister of commerce for filing and all required fees shall be paid in the manner prescribed by the minister of commerce by regulation.

(10) If a document may be delivered by electronic means, notwithstanding any other provision of law, if the last day of a period for filing a document that is authorized or required to be filed by electronic means falls on a Friday or legal holiday, or any day the minister of commerce's physical office is closed, the period shall expire on such day.

Article 84 Act of causing document to be delivered for filing.

Causing a document to be delivered to the minister of commerce for filing pursuant to this chapter 16 shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of this chapter 16, the constituent documents, and the organic statutes and other applicable law, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of this chapter 16, the constituent documents, and the organic statutes and other applicable law.

Article 85 Forms and cover sheets - minister of commerce to furnish upon request.

(1) The minister of commerce may prepare and furnish a form or cover sheet, or both, for any document that is subject to this chapter 16 and may require the use of any such form or cover sheet, or both. The form or cover sheet may require the statement of any information the minister of commerce deems appropriate as prescribed by the minister of commerce by regulation to perform the duties of the minister of commerce under the law of The Republic of Somaliland, including information as to the identity of any person to which the document relates, the mailing address of any such person, and the principal office address of the principal office of any such person who has a principal office. A form or cover sheet shall not preclude in any way the inclusion in any document of any item the inclusion of which is not prohibited by the law of The Republic of Somaliland and shall not require the inclusion of any item the inclusion of which is not required or permitted by this act or any other law of The Republic of Somaliland.

(2) The form or cover sheet shall be deemed to be a part of the filed document that uses such form or cover sheet. Information that is contained in such form or cover sheet shall control over any contrary information contained elsewhere in the filed document.

(3) The minister of commerce shall furnish, on request, any form or cover sheet that the minister of commerce requires to be used pursuant to this section.

Article 86 Fees and Penalties.

(1) The minister of commerce shall charge and collect fees for:

(a) processing and filing any document delivered to the minister of commerce for filing as required or permitted under this act;

(b) issuing any certificate, including a certificate of good standing and furnishing a certified copy of any filed document.

(2) The minister of commerce shall charge and collect all other fees and penalties imposed by or assessed under this act.

(3) Such fees and penalties shall be fixed from time to time by the minister of commerce in the manner prescribed by the minister of commerce by regulation in amounts that, in the aggregate, do not exceed the approximated direct and indirect costs of the services provided pursuant to this act.

Article 87 Effective time and date of filed document.

(1) Except as provided in paragraph (2) or (4) of this article, a document that is filed by the minister of commerce is effective:

(a) If no time is stated in the filed document as its effective time, then at the time of filing on the date it is filed, as evidenced by the records of the minister of commerce; or

(b) If a time is stated in the filed document as its effective time, then at the later of the stated time on the date it is filed, as such date is stated in the records of the minister of commerce, or the time the filed document is filed by the minister of commerce, as such time is stated in the records of the minister of commerce.

(2) A filed document may state a delayed effective time and date, and if it does so the filed document becomes effective at the later of the time and date so stated or the time and date the filed document is filed by the minister of commerce, as such time and date are stated in the records of the minister of commerce. If a filed document states a delayed effective date but not a time, the filed document is effective at the later of 11:59 p.m. on that date or the time and date the filed document is filed by the minister of commerce, as such time and date are stated in the records of the minister of commerce. If a filed document states a delayed effective date that is later than the ninetieth day after the date the filed document is filed, the filed document is effective at 11:59 p.m. on the ninetieth day after it is filed. A filed document may state the order in which the matters provided for in the filed document are deemed to have occurred. This paragraph (2) may be limited by other provisions of this act. In the event of conflict between this paragraph (2) and any other provision of this act, such other provision of this act controls.

(3) If a filed document states a delayed effective date pursuant to paragraph (2) of this section, the filed document may be prevented from becoming effective if a person to which the filed document relates delivers to the minister of commerce, for filing pursuant to this chapter 16, on or before the earlier of the stated effective date of the document or the ninetieth day after the filed document was filed, a statement of correction revoking the filed document.

(4) If two or more documents are simultaneously delivered to the minister of commerce, each of the documents shall be deemed to have been filed simultaneously if each identifies, to the satisfaction of the minister of commerce, all of the documents that are to be deemed to have been filed simultaneously and states that all of such documents are to be deemed to have been filed simultaneously. All of such documents shall be deemed to have been filed at the time and on the date of filing of the first of such documents to be filed, as such time and date are evidenced by the records of the minister of commerce. If any of such documents is rejected by the minister of commerce, all of such documents shall be deemed to have been rejected by the minister of commerce.

Article 88 Restated constituent filed document.

(1) Unless the organic statutes expressly provide otherwise:

(a) a company may restate its statement of formation or statement of registration of existing company at any time by action of its members or of any other person authorized by the organic statutes to deliver, on behalf of the company, a restatement of the document to the minister of commerce, for filing pursuant to this chapter 16, effecting such restatement.

(b) the restatement of the document may include one or more amendments to the document if each amendment has been approved in the manner provided in the organic statutes. Such an amendment may:

(I) delete the statement of the names and addresses of the organizers or other persons forming the company or the names and addresses of the persons registering the company;

(II) delete the statement of the names and addresses of any or all of the individuals named in the document as being individuals who caused the document to be delivered for filing; and

(III) delete the statement of the principal office address of the company.

(c) A company restating its statement of formation or statement of registration of existing company shall deliver to the minister of commerce, for filing pursuant to this chapter 16, a restatement stating:

(I) the company name of the company; and

(II) the text of the restated document.

(d) Upon filing of their statement by the minister of commerce or at any delayed effective date provided in the restatement, determined pursuant to article 89, the statement of formation or statement of registration of existing company as restated by the restatement supersedes the original constituent filed document and all prior amendments to the original constituent filed document.

Article 89 Correcting filed document.

(1) A person may deliver to the minister of commerce, for filing pursuant to this chapter 16, a statement of correction to:

(a) correct a filed document if the filed document contains information that was incorrect at the time the document was delivered to the minister of commerce for filing pursuant to this chapter 16; or

(b) revoke a filed document pursuant to article 89 (3).

(2) A statement of correction:

(a) shall state the company name of the company to which the document relates;

(b) shall identify the filed document to the satisfaction of the minister of commerce;

(c) shall state the information, if any, contained in the filed document to be corrected;

(d) shall state each such correction;

(e) shall state each addition or deletion of information, if any; and

(f) shall, if it revokes a filed document pursuant to article 89 (3), state that the filed document is revoked.

(3) Except as otherwise provided in this paragraph (3), a statement of correction is effective on the effective date of the filed document it corrects as such date is stated in the records of the minister of commerce. As to persons relying on the uncorrected filed document and adversely affected by the correction, a statement of correction is effective when filed. A statement of correction that corrects the effective date of a filed document to an earlier date is effective on such earlier date or on the date the filed document was filed in the records of the minister of commerce as such date is stated in the records of the minister of commerce,

whichever is later. A statement of correction may not state a delayed effective date for the effectiveness of the statement of correction itself.

Article 90 Statement of change.

(1) A person may amend, cancel, revoke, or otherwise change a filed document if circumstances occur after the filing of the filed document by the minister of commerce that make it appropriate that the filed document be changed.

(2) A filed document is changed by causing to be delivered to the minister of commerce, for filing pursuant to this chapter 16, a statement of change that:

- (a) states the company name of the company to which the document relates;
- (b) identifies the filed document in the manner prescribed by the minister of commerce by regulation;
- (c) states the information, if any, contained in the filed document that is to be changed;
- (d) states each such change;
- (e) states each addition or deletion of information, if any; and
- (f) complies with all other requirements of this act applicable to the statement of change.

(3) If a person is specifically permitted or required by an organic statute other than this act to amend, cancel, revoke, or otherwise change a filed document, it may amend, cancel, revoke, or otherwise change such filed document only in accordance with such organic statute unless that organic statute or another organic statute other than this act also permits the amendment, cancellation, revocation, or other change to be effected by a statement of change pursuant to this section.

(4) A statement of change and the change it effects in a filed document become effective as provided in article 89.

Article 91 Change of principal office address.

(1) A company or foreign entity may change its principal office address only by stating a different principal office address in one of the following:

- (a) a statement of change filed pursuant to article 92, which statement of change shall not be required to comply with article 92 (2) (b);
- (b) an annual report filed pursuant to article 74;
- (c) any form or cover sheet filed by the minister of commerce pursuant to chapter 16 of this act, which form or cover sheet has been prescribed by the minister of commerce by regulation for effecting such change; or
- (d) a statement of dissolution.

Article 92 Filing Duty of Registrar - manner of filing.

(1) If a document delivered to registrar for filing pursuant to this chapter 12 complies with the requirements of article 83 and all required fees have been paid in the manner prescribed by the minister of commerce by regulation, the minister of commerce shall file it. The minister of commerce has no duty to determine whether the document complies with any or all requirements of any law.

(2) The Registrar files a document by marking or otherwise associating the words "Registrar" and the time and date of filing on or with the document, and in the case of a statement of formation or a statement of registration of existing company, along with a unique business identification number or identifier in the manner prescribed by the Minister of

Commerce by regulation, and in the case of a subsequent document delivered for filing relating to the company so formed or registered, the respective unique business identification number or identifier, and by placing the document in records that the minister of commerce shall maintain to contain all filed documents. The records of filed documents that the minister of commerce maintains shall be such that any filed document may be retrieved by the minister of commerce in perceivable form and with the time and date of its filing.

(3) If the registrar permits a document to be delivered in a physical medium and the minister of commerce refuses to file the document, the registrar shall return it to any individual who has been identified as having caused the document to be delivered for filing at the address provided for that individual, together with a written notice providing a brief explanation of the reason for the refusal, within 30 days after the document was delivered to the minister of commerce.

(4) The duty to file documents by the registrar in accordance with this Act is under is under Ministerial. The filing of or refusal to file a document does not:

- (a) affect the validity or invalidity of the document in whole or in part;
- (b) relate to the correctness or incorrectness of information contained in the document; or
- (c) create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

(5) (a) Notwithstanding the foregoing or any other provision of law, the registrar may, upon receipt of a written request from and a showing of good cause by an authorized person supported by such validating, verifying, and authenticating documents as the minister of commerce may require in the manner prescribed by the minister of commerce by regulation, remove personal identifying information from the publicly accessible documents and other records of the minister of commerce maintained pursuant to this section where such information is not required by law to be included in such documents and records.

(b) A document or record from which the minister of commerce removes personal identifying information pursuant to sub-paragraph (a) of this paragraph (5) shall not be rendered insufficient or ineffective by such removal notwithstanding any other provision of law.

(c) The registrar may retain the original or a copy of a document or record that contains personal identifying information, but such a document or record shall be open for inspection, and copies or printouts of the document or record or information from the document or record shall be furnished only upon application to the registrar and only for good cause shown notwithstanding any other provision of law.

(6) For the purposes of this section, "personal identifying information" means information about an individual that could reasonably be used to identify such individual, including, but not limited to:

- (a) a government identification or social security number or its equivalent;
- (b) a personal identification number;
- (c) a password; or
- (d) a pass code.

Article 93 Appeal from minister of commerce's refusal to file document.

(1) If the minister of commerce refuses to file a document delivered to the minister of commerce for filing, the person causing the document to be delivered to the minister of commerce for filing may, within forty-five days after the effective date of the notice of the refusal given by the minister of commerce pursuant to article 93 (3), appeal to the supreme court. The appeal is

commenced by petitioning the court to compel the filing of the document by the minister of commerce and by attaching to the petition a copy of the document and a copy of the minister of commerce's notice of refusal.

(2) The court may order the minister of commerce to file the document or to take such other action as the court considers appropriate.

Article 94 Evidentiary effect of copy of filed document.

A certificate attached to a copy of a document, bearing the minister of commerce's manual or facsimile signature and seal and stating to the effect that the document is filed in the records of the minister of commerce, is prima facie evidence that the document is on file in the records of the minister of commerce.

Article 95 Certificates issued by minister of commerce.

(1) The minister of commerce shall issue to any person, upon request, a copy of any document filed by the minister of commerce pursuant to this act, a certificate endorsed on or accompanying a copy of any filed document identifying the filed document and certifying that the copy is a true copy of the filed document, and, if appropriate, a certificate of good standing concerning any company. The minister of commerce may issue to any person, upon request, any other certificate as to the records of the minister of commerce that the minister of commerce deems appropriate.

(2) A certificate issued by the minister of commerce may be relied upon, subject to any qualification stated in the certificate, as prima facie evidence of the facts stated therein.

Article 96 Remedy for failure or refusal to file.

Any person who is adversely affected by a failure or refusal of any other person to deliver any document to the minister of commerce, for filing pursuant to this chapter 16, with respect to any company may petition to the court for the judicial region in The Republic of Somaliland in which the street address of the company's principal office is located, or, if the company has no principal office in The Republic of Somaliland, to the court for the judicial region or Hargeisa, to approve the document and direct the appropriate person to deliver the document to the minister of commerce, for filing pursuant to this chapter 16. If the court finds that it is proper for the document to be filed and that there has been a failure or refusal to approve the document and deliver the document to the minister of commerce for filing pursuant to this chapter 16, it shall order the minister of commerce to file the document in the form it has approved.

Article 97 Powers.

The minister of commerce has all powers reasonably necessary to perform the duties required by law including the power to prescribe regulations and adopt rules.

Article 98 Notices by the Registrar.

(1) (a) The minister of commerce may give notice, in the manner prescribed by the minister of commerce by regulation including notice delivered by electronic means, to any person about any matter arising under or with respect to this act.

(b) This paragraph (1) does not affect a requirement that the minister of commerce give notice under another provision of law.

(2) Neither the determination of the minister of commerce to give, or not to give, any notice under the authority of paragraph (1) of this Article nor the failure of any person to receive any notice so given affects any obligation under or requirement of any provision of this act or excuses any noncompliance by any person of any obligation under or requirement of any provision of this act.

PART 4
CHAPTER 15
FOREIGN ENTITIES

Article 99 Authority to transact business or conduct activities required.

(1) A foreign entity shall not transact business or conduct activities in The Republic of Somaliland except in compliance with this chapter 18 and not until its statement of foreign entity authority is on file in the records of the minister of commerce. To the extent that a provision of this chapter 18 is inconsistent with another law of The Republic of Somaliland in its application to a foreign entity, such other statute, and not such provision of this chapter 18, shall apply.

(2) A foreign entity shall not be considered to be transacting business or conducting activities in The Republic of Somaliland within the meaning of paragraph (1) of this section by reason of carrying on in The Republic of Somaliland any one or more of the following activities:

(a) holding meetings of its owners or managers or carrying on other activities concerning its internal affairs;

(b) conducting an isolated transaction that is completed within thirty days and that is not one in the course of repeated transactions of a like nature;
and

(c) in the case of a foreign nonprofit entity, granting funds

(3) Nothing in this section shall limit or affect the right to subject a foreign entity that does not, or is not required to, have authority to transact business or conduct activities in The Republic of Somaliland to the jurisdiction of the courts of The Republic of Somaliland or to serve upon any foreign entity any process, notice, or demand required or permitted by law to be served upon an entity pursuant to any provision of law or pursuant to the applicable rules of civil procedure.

Article 100 Consequences of transacting business or conducting activities without authority.

(1) (a) No foreign entity transacting business or conducting activities in The Republic of Somaliland without authority, nor anyone on its behalf, shall be permitted to commence a proceeding in any court in The Republic of Somaliland for the collection of its debts or to enforce other obligations until a statement of foreign entity authority for the foreign entity is on file in the records of the minister of commerce.

(b) A court may stay a proceeding commenced by a foreign entity until it determines whether the foreign entity should have a statement of foreign entity authority on file in the records of the minister of commerce. If the court determines that the foreign entity should have a statement of foreign entity authority on file in the records of the minister of commerce, the court may further stay the proceeding until a statement of foreign entity authority is on file in the records of the minister of commerce with respect to the foreign entity. If a foreign entity has a

statement of foreign entity authority on file in the records of the minister of commerce, no proceeding in any court in The Republic of Somaliland to which the foreign entity is a party shall, after the effective date of such statement of foreign entity authority, be dismissed by reason of a statement of foreign entity authority not being on file in the records of the minister of commerce with respect to the foreign entity.

(2) A foreign entity that transacts business or conducts activities in The Republic of Somaliland without being authorized to do so shall be subject to a penalty, which shall be determined and collected pursuant to article 88. No statement of foreign entity authority shall be filed in the records of the minister of commerce by or on behalf of a foreign entity that transacts business or conducts activities in The Republic of Somaliland without having a statement of foreign entity authority on file in the records of the minister of commerce until payment of the amount due under the provisions of this paragraph (2) of this article is made.

(3) The amount due under the provisions of paragraph (2) of this article may be recovered in an action brought by the solicitor general in a court of competent jurisdiction. Upon a finding by the court that a foreign entity or any of its managers or agents on its behalf has transacted business or conducted activities in The Republic of Somaliland in violation of this chapter 18, the court may issue an injunction restraining the further transaction of business or conducting of activities by the foreign entity and the managers and agents and the further exercise of any rights and privileges of the foreign entity in The Republic of Somaliland until all amounts due plus any interest and court costs that the court may assess have been paid, and until the foreign entity has otherwise complied with this chapter 18.

(4) Notwithstanding paragraph (1) of this article, the transaction of business or conducting of activities in The Republic of Somaliland by a foreign entity without having a statement of foreign entity authority on file in the records of the minister of commerce does not impair the validity of the acts of the foreign entity or prevent it from defending any proceeding in The Republic of Somaliland.

Article 101 Statement of foreign entity authority to transact business or conduct activities.

(1) A foreign entity may cause to be delivered to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of foreign entity authority stating:

- (a) its true name and its assumed entity name, if one is required pursuant to chapter 5 of this act;
- (b) the jurisdiction under the law of which it is formed;
- (c) the form of the entity as that form is recognized by the jurisdiction under the law of which the entity is formed;
- (d) the principal office address of its principal office; and
- (e) the date it commenced or expects to commence transacting business or conducting activities in The Republic of Somaliland.

Article 102 Change of statement of foreign entity authority to transact business or conduct activities.

Upon any change in circumstances that makes any statement contained in its filed statement of foreign entity authority no longer true, a foreign entity authorized to transact business or conduct

activities in The Republic of Somaliland shall deliver to the minister of commerce, for filing pursuant to chapter 16 of this act, an appropriate statement of change so that its statement of foreign entity authority is in all respects true.

Article 103 Effect of statement of foreign entity authority.

(1) A foreign entity is authorized to transact business or conduct activities in The Republic of Somaliland from the effective date of its statement of foreign entity authority until the effective date of its statement of foreign entity withdrawal.

(2) A foreign entity that has authority to transact business or conduct activities in The Republic of Somaliland has the same rights and privileges as, but no greater rights or privileges than, and, except as otherwise provided by this act, is subject to the same duties, restrictions, penalties, and liabilities imposed upon, a functionally equivalent domestic entity.

(3) Nothing in this chapter 18 authorizes The Republic of Somaliland to regulate the organization, formation, dissolution, existence, or internal activities of a foreign entity authorized to transact business or conduct activities in The Republic of Somaliland .

(4) As to any foreign entity transacting business or conducting activities in The Republic of Somaliland , the law of the jurisdiction under the law of which the foreign entity is formed shall govern the organization and internal affairs of the foreign entity and the liability of its owners and managers.

Article 104 Withdrawal of foreign entity

(1) A foreign entity authorized to transact business or conduct activities in The Republic of Somaliland may relinquish that authority by causing to be delivered to the minister of commerce, for filing pursuant to chapter 16 of this act, a statement of foreign entity withdrawal stating:

- (a) its true name and its assumed entity name, if any;
- (b) the mailing address to which process may be mailed pursuant to article 121 ;
- (c) the principal office address of its principal office;
- (d) the jurisdiction under the law of which it was formed;
- (e) that it will no longer transact business or conduct activities in The Republic of Somaliland and that it relinquishes its authority to transact business or conduct activities in The Republic of Somaliland; and
- (f) that any statement of business name it has on file in the records of the minister of commerce pursuant to applicable law, and its assumed entity name, if any, are withdrawn upon the effective date of the statement of foreign entity withdrawal.

(2) If a foreign entity causes a statement of foreign entity withdrawal to be delivered to the minister of commerce for filing pursuant to chapter 16 of this act before the date on which a annual report for the foreign entity is due pursuant to chapter 13 of this act, the foreign entity is relieved of its obligation to file such annual report or pay the fee therefore.

Article 105 Service on withdrawn foreign entity.

(1) If a foreign entity with respect to which a statement of foreign entity withdrawal has been filed pursuant to article 119 cannot with reasonable diligence be served with any legal process, notice or demand in The Republic of Somaliland in connection with any cause of action arising

during the time it was authorized to transact business or conduct activities in The Republic of Somaliland, the foreign entity may be served by mail, including registered and certified mail , addressed to the entity at its principal address. Service is perfected under this paragraph (1) at the earliest of:

- (a) the date the foreign entity receives the legal process, notice, or demand;
- (b) five days after mailing; or
- (c) the date shown on the return receipt, if signed on behalf of the foreign entity;

(2) Paragraph (1) of this section does not prescribe the only means, or necessarily the required means, of serving a foreign entity with respect to which a statement of foreign entity withdrawal has been filed.

Article 106 Application to existing foreign entities.

The filed document pursuant to which an existing foreign entity is authorized to transact business or conduct activities in The Republic of Somaliland shall be deemed to be a filed statement of foreign entity authority for purposes of this chapter 18

CHAPTER 16 MISCELLANEOUS PROVISIONS

Article 107 Existing Companies.

Each existing company shall be deemed to be governed by and subject to this act; provided however, that no existing right or obligation of the existing company and no existing claim against the existing company or any of its members or managers shall be impaired as a consequence thereof and such rights, obligations and claims shall remain enforceable in accordance with applicable law.

Article 108 Registration; Penalty.

(1) Each existing company shall register under this act by delivering a statement of registration of existing company to registrar, for filing pursuant to chapter 12 of this act, within [30] days after the date of the effectiveness of this act.

(2) Each existing company that fails or refuses to deliver to the registrar a statement of registration of existing company for filing on or before the due date prescribed by this above article and pay the prescribed fee is subject to a penalty, which shall be determined and collected pursuant to article 89.

Article 109 Statement of Registration of Existing Company.

(1) The statement of registration of existing company shall state:

(a) the company name of the existing company, which company name shall comply with chapter 5 of this act; provided however, if the statement of registration of existing company is delivered to the minister of commerce for filing within [30] days after the date of the effectiveness of this act, the company name of the existing company shall not be required to comply with paragraph (2) of article 16 of said chapter 5;

(b) the principal office address of the existing company's principal office;

- (c) the true name and mailing address of each person registering the existing company;
 - (d) that management of the existing company is vested in one or more managers or is vested in the members, whichever be the case;
 - (e) that there is at least one member of the existing company;
 - (f) the activity or activities being conducted by the existing company by use of a self-classification code or codes in the manner prescribed by the minister of commerce by regulation; and
 - (g) any other matters relating to the existing company or the statement of registration of existing company the person or persons registering the existing company determine to include therein.
- (2) No statement of registration of existing company shall state a delayed effective date.

Article 110 Effect of filing of a statement of registration of existing company.

An existing company is registered when its statement of registration of existing company becomes effective and thereupon the existing company shall become in good standing.

Article 111 Notice of existence of existing company.

The fact that the statement of registration of existing company of an existing company is on file in the records of the registrar is notice that the existing company is an existing company governed by and subject to this act and is notice of all other facts stated therein that are required to be stated in the statement of registration of existing company as prescribed the provisions of the Act.

Article 112 Amendment of a statement of registration of existing company.

1. The statement of registration of existing company may be amended at any time for any purpose and shall be amended when:
 - (a) there is a change in the company name of the existing company;
 - (b) there is a false or erroneous statement in the statement of registration of existing company.
2. An amendment to the statement of registration of existing company is invalid unless approved by all of the members or in such other manner as may be provided in the operating agreement.
- (3) An existing company amends its statement of registration of existing company by delivering a statement of amendment to statement of registration of existing company to the minister of commerce, for filing pursuant to chapter 16 of this act, stating:
 - (a) the company name of the existing company;
 - (b) the amendment to the statement of registration of existing company.

Article 113 Existing Foreign Entities.

Each existing foreign entity shall be deemed to be governed by and subject to this act; provided however, that no existing right or obligation of the existing foreign entity and no existing claim against the existing foreign entity or any of its members or managers shall be impaired as a consequence thereof and such rights, obligations and claims shall remain enforceable in accordance with applicable law.

Article 114 Registration; Penalty.

(1) Each existing foreign entity shall register under this act by delivering a statement of existing foreign entity authority to the minister of commerce, for filing pursuant to chapter 16 of this act, within [30] days after the date of the effectiveness of this act.

(2) Each existing foreign entity that fails or refuses to deliver to the minister of commerce a statement of existing foreign entity authority for filing on or before the due date prescribed by this article 108 and pay the prescribed fee is subject to a penalty, which shall be determined and collected pursuant to article 88.

Article 115 Statement of Existing Foreign Entity Authority.

(1) The statement of existing foreign entity authority shall state:

(a) the foreign entity name of the existing foreign entity, which name shall comply with chapter 5 of this act; provided however, if the statement of existing foreign entity authority is delivered to the minister of commerce for filing within [30] days after the date of the effectiveness of this act, the foreign name of the existing foreign entity shall not be required to comply with paragraph (2) of article 16 of said chapter 5;

(b) the principal office address of the existing foreign entity's principal office;

(c) the true name and mailing address of each person delivering the statement of existing foreign entity authority to the minister of commerce for filing;

(d) the activity or activities being conducted by the existing foreign entity by use of a self-classification code or codes in the manner prescribed by the minister of commerce by regulation;

and

(e) any other matters relating to the existing foreign entity or the statement of existing foreign entity authority the person or persons delivering the statement of existing foreign entity authority to the minister of commerce for filing determine to include therein.

(2) No statement of existing foreign entity authority shall state a delayed effective date.

Article 116 Effect of filing of a statement of existing foreign entity authority.

An existing foreign entity is registered when its statement of existing foreign entity authority becomes effective and thereupon the existing foreign entity shall become in good standing.

Article 117 Notice of existence of existing foreign entity.

The fact that a statement of existing foreign entity authority for an existing foreign entity is on file in the records of the minister of commerce is notice that the existing foreign entity is an existing foreign entity governed by and subject to this act and is notice of all other facts stated therein that are required to be stated in the statement of existing foreign entity authority by article 109.

Article 118 Amendment of a statement of existing foreign entity authority.

(1) The statement of existing foreign entity authority may be amended at any time for any

purpose and shall be amended when:

- (a) there is a change in the foreign entity name of the existing foreign entity;
- (b) there is a false or erroneous statement in the statement of existing foreign entity authority.

(2) An existing foreign entity amends its statement of existing foreign entity authority by delivering a statement of amendment to statement of existing foreign entity authority to the minister of commerce, for filing pursuant to chapter 16 of this act, stating:

- (a) the foreign entity name of the existing foreign entity;
- (b) the amendment to the statement of existing foreign entity authority.

Article 119 Ministerial Registration.

(1) The registrar shall register an existing company or an existing foreign entity in the records in the manner prescribed by the Minister by regulation.

(2) Such ministerial registration, if any, shall not excuse the obligation of such existing company or existing foreign entity to register in accordance with this act, as the case may be, or relieve such existing company or existing foreign entity from the consequences of any failure to register.

Article 120 Power to Amend or Repeal.

The parliament has the power to amend or repeal all or a part of this act at any time, and all entities subject to this act shall be governed by the amendment or repeal.

Article 121 Repeal

The Companies Law (2004) and all other companies' laws of the Republic of Somaliland are hereby repealed.

Article 122 Effective Date

This law shall come into force after its approval by both Houses of Parliament and its signature by the President on the date it is published in the Official Gazette.