

COMPANY LAW FAQS

Prepared by Patrick Chulu Legal Practitioners

Jurisdiction: Republic of Zambia

Based on Companies Act No. 10 of 2017 and other applicable statutes

FREQUENTLY ASKED QUESTIONS: COMPANY LAW IN ZAMBIA

1. What is a company under Zambian law?

A company is a legal entity registered under the *Companies Act No. 10 of 2017*. It has separate legal personality from its shareholders and can own property, sue, and be sued in its own name.

2. What types of companies can be registered in Zambia?

- Private Company Limited by Shares
- Public Company Limited by Shares
- Company Limited by Guarantee
- Unlimited Company
- Foreign Company (External Company)

3. Who can register a company?

Any person, Zambian or foreign, who is at least 18 years old and is of sound mind may register a company, subject to fulfilling the registration requirements with PACRA.

PC | LP

4. What are the minimum requirements for registering a private company?

- At least one director: _____
- At least one shareholder: _____
- Company Secretary (if required): _____
- Registered office address: _____
- Proposed company name: _____

5. What are the duties of company directors?

Directors must act:

- In good faith and in the best interests of the company
- With due care, diligence, and skill
- In compliance with the *Companies Act*, company constitution, and statutory regulations

6. Are shareholders personally liable for company debts?

No. A company's debts are its own. Shareholders are only liable to the extent of their shareholding unless there is fraud or personal guarantee.

7. How can company shares be transferred?

Shares may be transferred by completing a share transfer form and updating the company's share register. Approval may be required per the company's constitution.

PC | LP

8. What is an annual return, and when must it be filed?

All companies must file an annual return with PACRA within 28 days after each financial year-end.

Date of last filing: _____

PACRA receipt number: _____

9. What is a company constitution, and is it mandatory?

A constitution outlines how the company is governed. It is optional—companies can rely on the default rules under the Companies Act unless they choose to adopt their own.

10. How can a company be legally dissolved?

Through voluntary winding-up, liquidation by creditors, or a court order in accordance with Part XVII of the *Companies Act No. 10 of 2017*.