WYZE NEWSLETTER

Registration of Schools and Educational Institutions

On March 4, 2022, the Corporate Affairs Commission (the Commission/CAC) issued a directive to the Registrar-office General's that schools, academies, and similar institutions of learning should no longer be approved or registered as Business Names because an institution is essentially a body corporate with perpetual succession, capable of contracting and (subject to any restrictions imposed by other laws) issuing certificates in its own name, which attributes a business name.

As a result, schools and educational institutions can no longer be legally registered as corporate entities because they issue certificates in their own names. Section 814 CAMA allows for the registration of business names, and the issuing of a certificate of registration simply implies that the name is recognized in law and protects it from being registered by another party. Registration of company names, according to Section 818 CAMA 2020, does not confer corporate personality on the entity, which grants eternal succession and the right to sue and be sued in its own corporate name.

Academic institutions, including schools, must have corporate personality to sue and be sued in their own corporate name, with everlasting succession to outlive their owners. In this case, a corporation is the appropriate legal entity. According to Section 41 CAMA, validly constituted firms acquire corporate personality and, as a result, are capable of perpetual succession and can sue and be sued in their own names. They can also issue certificates in their own names, which is required by academic institutions.

Thus, pursuant to this new directive, it is expedient that prospective schools or other academic institutions sought to be registered comply with the circular apply to be registered as a company. Existing schools registered as business names may also apply to upgrade to become companies.

