



## Judgment Alert:

# Court of Appeal Affirms Federal High Court Judgment Regarding Single Shareholder Structure for Private Companies Incorporated Pre-CAMA 2020 – CA/ABJ/CV/1226/2024: *Corporate Affairs Commission v. Primetech Design and Engineering Nigeria Limited and Anr.*

**JUNE 10, 2026**

In a unanimous decision handed down on June 10, 2026, the Court of Appeal affirmed the judgment of the Federal High Court that Section 18(2) of the Companies and Allied Matters Act, 2020, as amended ("**CAMA 2020**") which permits private companies to have a single shareholder, applies to **ALL** private companies, whether incorporated before or after CAMA 2020. Therefore, the Court of Appeal's decision confirms that single-member private companies can exist irrespective of their formation date or number of shareholders at incorporation, ensuring uniformity of rules for all private companies, in line with the legislative intent of CAMA 2020.

The Court of Appeal's decision arose from an appeal filed by the Corporate Affairs Commission ("**CAC**") against the Federal High Court's decision handed down on July 30, 2024, by which the CAC had essentially contended that section 18 (2) of CAMA 2020 only applies to private companies incorporated under CAMA 2020, to the exclusion of those incorporated prior to the effective date of CAMA 2020 (which suggests that those companies must continue to have a minimum of 2 shareholders).

The Court of Appeal's decision is a welcome development and provides the long-awaited appellate endorsement of a first-instance judgment. The decision will be of practical interest to corporate entities and individuals seeking to implement corporate restructuring transactions that will result in single shareholder structures (which is recognized by section 18(2) of CAMA 2020 and reflects widely acceptable international practice). More importantly, the judgment will strengthen Nigeria's ease-of-doing-business framework ultimately aligning Nigeria with inter-



national corporate practices and boosting investor confidence in Nigeria.

**Banwo & Ighodalo is pleased to have represented the Respondents in this landmark case, which sets a binding precedent for corporate restructuring in Nigeria.**

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