Nigeria

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Templars

1 Types of transaction

How may businesses combine?

Businesses may combine by a transfer or amalgamation of assets or shares, or both, or other interests held in those entities (in the case of entities that are not limited by shares). The primary forms of business combinations in Nigeria are mergers, acquisitions, takeovers and external restructurings. These forms of combinations are defined under the primary laws that govern business combinations in Nigeria (set out in question 2) as follows:

A merger is the amalgamation of the undertakings or any part of the undertakings or interests of two or more companies or bodies corporate achieved in any manner including the purchase or lease of the shares, interests or assets of the other company or body in question, or amalgamation or other combination with the other company or body in question.

An acquisition involves the purchase of most (if not all) of a company's ownership stake in order to assume control of the target company.

A takeover is the acquisition by one company of sufficient shares in another company to give the acquiring company control over that other company.

External restructuring entails a court-sanctioned restructuring of a group of companies and other related party transactions.

2 Statutes and regulations

What are the main laws and regulations governing business combinations?

The main laws and regulations governing business combinations in Nigeria are:
- the Investments and Securities Act 2007 (the ISA);
- the Companies and Allied Matters Act Cap C20 Laws of the Federation of Nigeria (LFN) 2004 (the CAMA);
- the Securities and Exchange Commission (the SEC) Rules 2013 (as amended), which are made by the SEC pursuant to the ISA (the SEC Rules); and
- the Nigerian Stock Exchange Rule Book 2015 (applicable to public companies listed on the Nigerian Stock Exchange (NSE)).

There is also sector-specific legislation that applies to business combinations. These include:
- the Banks and other Financial Institutions Act Cap B3 LFN 2004 and the Procedures Manual for Applications for Bank Mergers/Take-overs 2004 issued by the Central Bank of Nigeria (applicable to the banking sector);
- the Insurance Act, Cap I18 LFN 2004 (applicable to the insurance sector);
- the Nigerian Communications Commission Act Cap N97 LFN 2004 and the NCC Competition Practices Regulations 2007 (applicable to the telecommunications sector);
- the Electric Power Sector Reform Act 2005 (applicable to the power sector);
- the National Broadcasting Commission Act Cap N11 LFN 2004 (applicable to the broadcasting sector); and
- the Department of Petroleum Resources Guidelines for obtaining Ministerial Consent (2014) (applicable to the oil and gas sector).

3 Governing law

What law typically governs the transaction agreements?

Typically, the transaction agreements are governed by Nigerian law but it is not uncommon for share purchase agreements and other transaction documents to be governed by foreign law. However, where parties elect to use foreign law, Nigerian courts have held that such choice of law must be real, genuine, bona fide, reasonable or consistent with public policy. If a foreign law is chosen to govern transaction documents, advice should be sought from Nigerian counsel on possible treatment and recognition of such law by Nigerian courts.

4 Filings and fees

Which government or stock exchange filings are necessary in connection with a business combination? Are there stamp taxes or other government fees in connection with completing a business combination?

The applicable filings vary depending on the type and size of business combination, and the sector in which the business combination is occurring. In general, business combination schemes involve the following filings:
- applications to the regulator of the relevant sector (ie, specific regulatory authorities for a letter of no objection or consent (where applicable));
- pre-scheme notice to the SEC;
- applications to the Federal High Court (the Court) for a court-ordered meeting of the members of the company or companies (where applicable) and subsequently for a court sanction of the transaction;
- applications for formal approval to the SEC;
- filing of the special resolution of the respective companies from the court ordered meetings as well as the court sanction (after approval from the SEC) with the Corporate Affairs Commission (CAC);
- a notification of such business combination to the NSE (in the case of a listed company); and
- an application to the NSE for delisting any old companies and listing any new companies formed.

Certain business combinations will not require any filings, for example:
- holding companies acquiring shares solely for the purpose of investment and not to cause substantial restraint of competition or create monopoly;
- small mergers (mergers where the combined annual turnover or assets of the merging companies is less than 1 billion naira). However, the resulting company must inform the SEC after the merger; and
- an acquisition of a private company or unquoted company that has assets or turnover below 500 million naira).

In terms of fees, the following fees would be payable:
- SEC transaction fee;
- filing fees at the CAC;
- court filing fees;

- NSE transaction fee (where applicable); and
- central securities clearing system fees (where applicable).

No stamp duty is payable on instruments for the transfer of shares. However, where a business combination involves an acquisition of assets, stamp duty will be payable on instruments transferring the assets. Please see question 18 in relation to the applicable stamp duty.

5 Information to be disclosed

What information needs to be made public in a business combination? Does this depend on what type of structure is used?

Publication requirements to the SEC, shareholders or the public are largely dependent on the nature of the business combination. In the case of a merger, the order of the Court sanctioning the scheme must be published in the Official Gazette and in at least one national daily newspaper. A detailed information memorandum on the scope and features of the transaction or scheme is required to be filed with the SEC as part of the approval process for mergers, acquisitions and external restructurings (as the case may be). The SEC may also request additional information.

Other specific requirements apply as follows:
- takeovers: publication of the bid by the offeror (with certain required particulars) in at least two national daily newspapers at the time of dispatching the bid to the shareholders of the target company;
- external restructurings: publication of the court order sanctioning the scheme in a newspaper; and
- acquisitions: publication of the transaction in at least two national dailies after completion of acquisition.

6 Disclosure of substantial shareholdings

What are the disclosure requirements for owners of large shareholdings in a company? Are the requirements affected if the company is a party to a business combination?

A substantial shareholder under the CAMA is a person who (either directly or through a nominee or trustee) holds enough shares in the company to entitle such person to exercise at least 10 per cent of the unrestricted voting rights at any general meeting of the shareholders of a public company. A substantial shareholder is required to give a written notice to the company of substantial shareholding or change of substantial shareholding within 14 days of becoming, or ceasing to be, a substantial shareholder.

The NSE Rule Book also requires a disclosure of any person who holds substantial shareholding (5 per cent or more of the issued shares) in listed companies. The insider dealing rules of the SEC similarly require a shareholder that holds 5 per cent or more of the shares of a company to notify the SEC upon the purchase or sale of shares in that company.

There are also sector-specific shareholding restrictions and disclosures. For instance, the CBN Code of Corporate Governance for Banks and Discount Houses in Nigeria requires the disclosure of any equity holding of at least 5 per cent by an investor in Nigerian banks and discount houses. In the power sector, notification to the Nigerian Electricity Regulatory Commission (NERC) is required for the acquisition of 5 per cent or more of the shares of a licensee, while the prior approval of the NERC is required in respect of any acquisition or divestment that will materially change the ownership status of a licensee in the sector. The Nigerian Communications Commission must also consent to any transaction that involves the acquisition of 10 per cent or more of the share capital of a company licensed to operate in the telecommunications industry.

The above requirements are not affected if the company is a party to a business combination.

7 Duties of directors and controlling shareholders

What duties do the directors or managers of a company owe to the company's shareholders, creditors and other stakeholders in connection with a business combination? Do controlling shareholders have similar duties?

Under the CAMA, the duties of directors or managers of a company are largely fiduciary in nature and include a duty to act in the best interest of the company. In carrying out these duties, regard must be had to the interests of the company's employees as well as the shareholders. These duties will apply in the context of a business combination.

With particular reference to takeovers, there is a statutory requirement for the target board to send a circular to every shareholder of the target and to the SEC. This circular will state the opinion and recommendation of the directors in relation to the takeover bid. Although the directors need not recommend that the shareholders accept the takeover bid, the rules are not explicit on whether a takeover bid can proceed if the directors do not issue the circular, and it is also not conclusive what rights the bidder would have to force an unwilling board to issue this circular.

Regarding creditors, the CAMA does not impose any duties on directors or managers in relation to the company's creditors. Although not codified or tested in the courts, it is arguable that in times of financial distress of a company, a director's duty could extend to consider the interests of the company's creditors.

With respect to controlling shareholders of a company, these do not have similar duties to the directors.

8 Approval and appraisal rights

What approval rights do shareholders have over business combinations? Do shareholders have appraisal or similar rights in business combinations?

In the case of mergers, the approval of shareholders holding at least 75 per cent in value of the shares of members present and voting at the separate court-ordered meetings of each of the merging companies will be required.

In relation to acquisitions, under the approval procedure prescribed by the SEC Rules, the approvals of the separate boards and shareholders of the acquiring company and the target are required. There is no prescription on the threshold, as such that will be subject to the articles of the relevant company or any shareholders' agreement.

In the case of a takeover bid to be made by a company, the CAMA requires the approval of the board of directors of the company. However, shareholders may have certain approval rights (without prejudice to the board approval) under the articles of the company or shareholders' agreement.

Generally, if any business combination is to be implemented by way of a scheme of arrangement, the approval of a majority in number representing at least 75 per cent of the value of shares of members (or of the relevant class) present and voting at the court-ordered meeting will be required in order to approve the scheme. By virtue of the NSE Rules relating to board meetings and general meetings of issuers, if a meeting of the members is convened to approve a transaction (including a scheme), any related party and any interested party would be precluded from voting unless specific instructions as to voting are given.

Shareholders have appraisal rights in business combinations. This right is, however, only exercisable by dissenting shareholders who did not tender their shares in response to a takeover bid. Such shareholders may apply to the Court for an assessment and valuation of their shares, following which the offeror or transferee company (as the case may be) will be bound to purchase those shares at the price and terms determined by the Court.

9 Hostile transactions

What are the special considerations for unsolicited transactions?

There is no legal framework in Nigeria in support of hostile takeovers. There are also no special considerations for unsolicited transactions. Typically, instances of unsolicited transactions in Nigeria will ultimately result in friendly and negotiated transactions.

10 Break-up fees – frustration of additional bidders

Which types of break-up and reverse break-up fees are allowed? What are the limitations on a company's ability to protect deals from third-party bidders?

There are no express limitations on the types or quantum of break-up or reverse break-up fees, except that the break-up or reverse break-up fees should not be punitive as to be considered or recharacterised as a penalty.

There are also no limitations on a company's ability to protect deals from third-party bidders. As such parties can use break-up fees and lock-out arrangements to protect their deals from third party bidders. In fact, parties are known to have entered into exclusivity agreements in order to restrict the company from speaking with other potential buyers for an agreed period during the negotiation phase of the transaction. It should be noted that, in relation to takeovers, the NSE Rule Book provides that no offer may be conditional upon the payment of compensation for loss of offer, and, if any such payment is proposed, full particulars must be disclosed.

There are restrictions relating to financial assistance that may affect business combinations in Nigeria. Under the CAMA, financial assistance would arise where (i) a company and any of its subsidiaries directly or indirectly give financial assistance to a person acquiring or proposing to acquire shares in that company for the purposes of that acquisition before or at the same time as the acquisition takes place, or (ii) a company or any of its subsidiaries directly or indirectly gives financial assistance to a person who has acquired shares in a company for the purpose of reducing or discharging any liability incurred by that person or any other person for the purpose of the acquisition.

Financial assistance includes a gift, guarantee, security or indemnity, loan, any form of credit and any financial assistance given by a company that materially reduces the net assets of the company or that results in the company having no net assets. Where such financial assistance is given, it shall be unlawful and therefore unenforceable.

The prohibition on financial assistance does not apply to (i) the lending of money by a company in the ordinary course of its business, (ii) the provision of money by a company for the acquisition of fully paid shares in the company or its holding company pursuant to a scheme for the benefit of employees of the company, and (iii) the making of loans to persons (other than directors) bona fide in the employment of the company with a view to enabling them to beneficially acquire shares in the company or its holding company.

Although, the financial assistance provisions are not sufficiently tested by the Nigerian courts, in relation to break-up fees, there is a minority view that payment of break-up fees by a target company to a proposed acquirer could potentially be considered financial assistance to the acquirer before the acquisition takes place, and as such, care should be taken as to ensure that such fees will not constitute unlawful financial assistance.

11 Government influence

Other than through relevant competition regulations, or in specific industries in which business combinations are regulated, may government agencies influence or restrict the completion of business combinations, including for reasons of national security?

Outside competition law regulation and industry specific approvals for regulated entities, government agencies may not ordinarily influence or restrict business combinations. However, in matters involving national defence or national security, the powers of the government are typically wide and peremptory and may be invoked to influence or restrict a business combination that could jeopardise national defence or security.

12 Conditional offers

What conditions to a tender offer, exchange offer or other form of business combination are allowed? In a cash acquisition, may the financing be conditional?

Generally, mergers and acquisitions can be conditioned on a number of events. The typical conditions in mergers and acquisitions include: industry-specific approvals; required third-party consents and notifications; relevant corporate authorisations; consent of the SEC (and initial approval of any required pre-scheme notifications); relevant amendments to corporate documentation, no material adverse change, reconciliation of company's registers with its filings at the CAC. These conditions are, however, not common in takeovers bids or offers, instead, the bid or offer will be conditioned upon terms on which the shares are proposed to be acquired.

Financing conditions are possible but are not commonplace. Typically, parties obtain requisite financing or at the very minimum have commitments (for example, letters of commitment from lenders or other financiers) for the required financing before proceeding with the transaction. For the purposes of the approval for acquisitions, the SEC Rules require the applicant to furnish evidence of source of funding for the acquisition. The ISA also requires the offeror in a takeover to make all arrangements to ensure that funds are available to make the payment for the shares.

13 Financing

If a buyer needs to obtain financing for a transaction, how is this dealt with in the transaction documents? What are the typical obligations of the seller to assist in the buyer's financing?

As previously stated, financing conditions are not commonplace in Nigeria. However, where the required funds are not obtained prior to the transaction, it is not unusual for parties to agree that financing conditions and representations as to financing be included in the transaction documents.

Given that the seller would be restricted by the financial assistance provisions, the seller may at best be required to assist in the buyer's financing on a reasonable endeavours basis.

14 Minority squeeze-out

May minority stockholders be squeezed out? If so, what steps must be taken and what is the time frame for the process?

Yes, minority shareholders may be squeezed out. To enable a squeeze out in a takeover scenario, the acquirer must have acquired at least 90 per cent of the shares of the company. For the purpose of calculating the 90 per cent threshold, shares already held by the acquirer prior to the takeover are not taken into account.

In terms of process and timelines:

- the bidder is required to state in the offer document if he or she intends to invoke the right to acquire the shares of the shareholders of the target who do not tender their shares;
- the takeover bid must be accepted by the holders of at least 90 per cent of the shares;
- the bidder may, within one month of having reached the 90 per cent acceptance threshold, give notice to the holders of the outstanding shares that (i) the takeover bid has been accepted; (ii) the bidder will take up and pay for the shares accepted; and (iii) the dissenting shareholders have the right to elect to either transfer their shares at the same price and terms as the other shareholders or at the independently assessed fair value of the shares. The notice will also detail the procedure for either option selected;
- within 20 days of receiving the notice, the minority dissenting shareholders shall send a notice to the bidder making their choice. If no choice is made, the dissenting shareholders will be deemed to have chosen to transfer their shares on the same terms as other shareholders;
- the bidder in turn, within 20 days after sending the notice to the dissenting shareholder, must transfer the amount of money or other consideration he or she would have to pay for the shares if the dissenting shareholder choose to be paid for their shares on the same terms as other shareholders, to the target company to keep in trust in a separate bank account;
- if the dissenting shareholders choose not to transfer on the same terms as others, the bidder may, within 20 days of paying the purchase consideration to the target company, apply to the court to fix the fair value of the dissenting shareholders' shares;
- if the bidder does not apply within the 20-day period, the dissenting shareholders can do so within a further period of 20 days; and

Update and trends

There have been increased calls to pass into law the Federal Competition and Consumer Protection Bill in order to regulate M&A activities across sectors and also establish a Competition Authority and Tribunal aimed at resolving issues that emanate from the proposed bill. The proposed bill aims to render invalid any agreement which has the effect of preventing, restricting or distorting competition in any market. Also, there are sector specific reforms being proposed in the mining, agricultural and insurance sectors which are expected to encourage foreign direct investment and foreseeably, increase M&A collaborations within these sectors.

In the insurance sector, there are proposed plans by the Nigerian Insurance Commission to introduce recapitalisation requirements and a risk-based supervision) model of underwriting policies by insurance companies. The primary feature of the policy is the redefinition of the nature of risks that can be underwritten by certain insurance companies and this would be assessed on the basis of capitalisation. Where implemented, business combinations will be impacted.

On a different note, there has been a credit and foreign currency liquidity crisis in Nigeria that has led to investor apathy on account of uncertainty of repatriation of investments, complications arising in the valuation of foreign currency investments, and unwieldy fiscal policies and interventions. Perhaps it is useful to add that the crisis, being a spin-off of the global decline in oil prices, led to significant divestments and demergers in the oil and gas industry. A number of operators in the oil and gas industry undertook divestments of their downstream and midstream businesses to facilitate focus on their core upstream operations.

In terms of the regulatory regime, the crisis partly informed an increased revenue drive of the government of Nigeria to shore up funds from various sources, and consequently, the Federal Inland Revenue Service and the SEC have in recent times taken steps to strictly enforce certain tax laws (such as the Stamp Duties Act) and regulatory fees applicable to M&A activity against large corporates.

Hopefully, the recent launch of the Nigerian Economic and Growth Recovery Plan (ERGP) (2017–2020) by the federal government will engender internal growth, spur investors' interest and incentivise capital influx. The ERGP is expected to deliver on five primary broad outcomes, namely: a stable macroeconomic environment, agricultural transformation and food security, sufficiency in energy (power and petroleum products), improved transportation infrastructure and industrialisation focusing on small and medium-scale enterprises (www.nationalplanning.gov.ng/index.php/news-media/news/current-news/781-fg-releases-economic-recovery-plan). In addition, we expect that more M&A activities will be driven by institutional investors and firms who are constantly seeking opportunities to invest in profitable sectors through a diversified pool of portfolio companies or to divest their holdings in any investee company.

- once the application is made, the court will fix a fair value for the shares of all the dissenting shareholders who made the choice, which the bidder will be required to pay.

15 Cross-border transactions

How are cross-border transactions structured? Do specific laws and regulations apply to cross-border transactions?

The structure for cross-border transactions is no different from that of in-country transactions. However, certain laws and regulations are particularly relevant in the context of an investment by a non-Nigerian in a Nigerian company. Also, on such transactions, tax efficiency would (as in almost all cases) be a primary concern for investors.

The Nigerian Investment Promotion Commission Act Cap N117 LFN 2004 deals with investments in Nigeria. The CAMA will be relevant in the incorporation and operation of any Nigerian companies in furtherance of the business combination. The ISA and the SEC Rules require the registration of an investment by a foreigner in a public company with the SEC. The Foreign Exchange (Monitoring and Miscellaneous) Act Cap F34 LFN 2004 and the CBN Foreign Exchange Manual 2006 will be relevant in relation to importation and remittance of foreign capital, and other exchange control related issues and the provisions of the National Office for Technology Acquisition and Promotion Act Cap N62 LFN 2004 will be relevant for transactions that require repatriation of fees for intellectual property rights or technology transferred, or both.

Apart from the above, certain industries require compulsory participation in or control of such businesses by Nigerians, and these will ultimately be relevant to the structuring of cross-border transactions. These industries include oil and gas, maritime, aviation and wireless telegraphy.

16 Waiting or notification periods

Other than as set forth in the competition laws, what are the relevant waiting or notification periods for completing business combinations?

Other than the waiting periods applicable to a formal clearance or approval to be obtained from the SEC or from the regulator in which the business combination occurs, other relevant waiting or notification periods include the timelines involved in (i) application to Court for an order convening the relevant meetings and for sanctioning the scheme (if applicable), (ii) submission of the transaction agreements to the Federal Inland Revenue Service for stamping, and where applicable, to clear the tax treatment of the transaction (as highlighted in question 19), (iii) completion filings and registrations at the CAC, and (iv) notification to the NSE (if applicable).

In addition, in mergers involving companies in the aviation industry, parties are not to give effect to a merger until the expiry of a 60-day waiting period from the date of issuance of receipt of notification unless the sector regulator shortens the said period. The waiting period may also be extended by an additional 30 days with the approval of the merging entities. The telecommunications industry has a waiting period of 30 days from the date of submission of the application.

17 Sector-specific rules

Are companies in specific industries subject to additional regulations and statutes?

Yes. See question 2.

18 Tax issues

What are the basic tax issues involved in business combinations?

The tax issues will depend on the structure of the business combination – whether an asset or share deal is adopted, or whether it is a cross-border deal. Also, the nature of tax obligations that would arise would be affected by whether or not the business combination would be considered a reorganisation or a business sale.

In an asset deal, the purchaser is liable to pay stamp duty at an ad valorem rate of 1.5 per cent of the purchase consideration as well as value added tax (VAT) at the rate of 5 per cent of the purchase consideration (if the asset is not statutorily exempt). The seller in turn is liable to pay capital gains tax (CGT) at a rate of 10 per cent of its gain from the sale of the asset.

In the case of a share deal, stamp duty and CGT will not apply as a result of the relevant exemptions provided under the Stamp Duties Act, Cap S8 LFN 2004 and the Capital Gains Tax Act Cap C1 LFN 2004. However, in practice, the FIRS tends to exempt only the share transfer instruments from stamp duties, but could potentially assess the share purchase agreement at an ad valorem stamp duty of 1.5 per cent of the purchase consideration. The other transaction agreements will be liable to nominal stamp duty of approximately 1,000 naira. Transfer of shares are not subject to VAT in Nigeria.

It is important to mention that no merger, takeover, transfer or restructuring of a trade or business carried on by a company shall take place without first obtaining the direction of the FIRS. Also, companies involved in such business combination must also obtain clearance with respect to any tax that may be due and payable in respect of capital gains.

In cross-border transactions, there are generally no special tax considerations but parties typically consider structuring the investments in order to benefit from tax reliefs that may be available under double tax treaties between Nigeria and other jurisdictions.

19 Labour and employee benefits

What is the basic regulatory framework governing labour and employee benefits in a business combination?

The primary legislation governing employee benefits are the Labour Act Cap L1 LFN 2004, the Pension Reform Act 2014, the Personal Income Tax Act Cap P8 LFN 2004 and the Employee Compensation Act 2010. The general provisions of the law entail that benefits and compensation due to employees in a business combination are subject to the specific terms of the contract establishing their employment relations and where applicable (in the case of lower cadre or blue-collar workers), the provisions of the Labour Act, which mandates that consent be issued by an authorised labour officer before such employees are transferred.

It is helpful to note that there is generally no statutory obligation to retain all existing staff in an entity being acquired or in the resulting entity in a merger. However, where prior approval of the SEC is required for a business combination, the impact of such business combination on employees of the company will form part of the consideration of the SEC. Also, for acquisitions, the NSE Rulebook requires a listed company to provide and circulate circulars detailing the impact of the proposed acquisition on the employees and continuity of the business.

In certain industries (such as the oil and gas industry), the approval of the sector regulator is required for any proposal that involves the severance or transfer of employees, and some companies may also be bound by terms in collective agreements with their trade unions.

20 Restructuring, bankruptcy or receivership

What are the special considerations for business combinations involving a target company that is in bankruptcy or receivership or engaged in a similar restructuring?

A business combination that involves a target company that is insolvent or subject to receivership will be conducted by a liquidator or receiver (as the case may be). These insolvency officers are empowered by law to deal in and dispose of the company's assets and property without direction of the board or management of the company as the powers of the board ceases once the company is in receivership or insolvent.

In a winding-up by the Court, any disposition of the property of the company, including things in action and any transfer of shares, or alteration in the status of the members of the company that is made after the commencement of the winding-up proceedings shall be void, unless the Court orders otherwise. For a creditors' voluntary winding-up, any transfer of shares (not being a transfer made to or with the sanction of the liquidator) and any alteration in the status of the members of the company shall be void.

Outside of strict insolvency proceedings (as mentioned above), the CAMA allows for a company to enter into a scheme of arrangement with its creditors or its members (or any specific class of either group) with the sanction of the Court. A business combination in that case may be subject to such terms as may be prescribed by the Court.

21 Anti-corruption and sanctions

What are the anti-corruption, anti-bribery and economic sanctions considerations in connection with business combinations?

There is no specific law which deals with anti-corruption, anti-bribery and economic sanctions in connection with business combinations in Nigeria. There are, however, broad provisions on anti-corruption, anti-bribery and economic sanctions that could be applied to business combinations in the underlisted laws:

- the Corrupt Practices & Other Related Offences etc Act 2003 ;
- the Economic and Financial Crimes Commission (Establishment) Act 2004 ;
- the Money Laundering (Prohibition) Act 2011 (as amended);
- the Criminal Code Act Cap C38 LFN 2004; and
- the Miscellaneous Offences Act Cap M17 LFN 2004.

The general thrust of the above-listed laws is to criminalise any act that seeks to induce action or inaction on the part of government officials or third parties for an advantage. This would be particularly relevant to business combinations transactions where regulatory approvals are sought. The applicable sanctions would entail fines and imprisonment for officers of the companies, possible liquidation of the company at the instance of the court in a winding up petition.

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