

Changing the Name of a Private Limited Company in Nepal: A Step-by-Step Guide

In the dynamic business landscape, a company may decide to change its name to gain a competitive edge, rebrand, or better align with its evolving vision. Under Nepal's Companies Act, 2063 (as amended), altering the name of a private limited company is a structured process that requires compliance with legal directives. This ensures transparency and protects stakeholders' interests. Below, we outline the key steps, required documents, and post-change obligations to make the process straightforward.

Reasons for Name Change

- a. A new name can enhance market positioning, reflect business growth, or resolve branding conflicts.
- b. However, the proposed name must not violate existing laws, trademarks, or create confusion with other entities.

Procedure for Name Amendment

As per the relevant provisions (Section 23 of the Companies Act), follow these steps:

1. Board and Shareholder Approval:

- Convene a general meeting and pass a special resolution for the name change.
- For private companies without a general meeting, obtain unanimous consent from shareholders as per the company's agreement.

2. Application to the Office of Company Registrar (OCR):

- Submit an application to the OCR seeking prior approval.
- Clearly state the reasons for the name change in the application.

3. Approval Process:

- The OCR will grant approval if the proposed name complies with the Act and regulations (e.g., not identical to existing names or misleading).
- Upon approval, the OCR records the change and issues a new registration certificate, mentioning the former name at the end for reference.

4. No Impact on Legal Status:

- The name change does not affect the company's rights, obligations, assets, or liabilities—all transfer seamlessly to the new entity.

Documents Required for Application

To apply under Section 24, attach the following to your submission:

- One copy of the special resolution passed in the general meeting or the unanimous shareholder agreement (for private companies).
- Particulars of amendment to Memorandum of Association (MoA) and Articles of Association (AoA) reflecting the proposed name.
- Tin Mahale details providing details of change in propose name in MOA and AOA

Obligations After Name Change

Once approved, ensure compliance to avoid penalties:

- **Asset and Liability Transfer:** All movable and immovable assets, as well as liabilities (including taxes), automatically vest in the company under the new name.
- **Public Notice:** Publish a public notice about the name change in a national-level newspaper three times within 30 days, and submit copies to the OCR.
- **Letterhead Update:** Include the former name at the bottom of the company's letterhead for at least one year to maintain transparency.
- **Handle Complaints:** If the new name causes confusion leading to complaints, be prepared to amend it further.
- **Additional Approvals:** Obtain consents from relevant authorities (e.g., regulatory bodies) if the business sector requires it.

Changing a company name is a significant step that demands careful planning to avoid disruptions. Consult legal experts to ensure full compliance and a smooth transition. If your firm needs assistance with this process, contact us for tailored guidance.