NIGERIAN INVESTMENT PROMOTION COMMISSION

DOING BUSINESS GUIDE

Business Incorporation, NIPC Registration and Related Requirements

Contents

1.0 STEP-BY-STEP BUSINESS INCORPORATION

To incorporate a business in Nigeria, follow the steps:

STEP 1 – Create an Account: Visit the CAC Registration Portal to create an account, which will be used for business registration activities.

STEP 2 – Conduct a Name Availability Search: Use the CAC Public Search Tool to confirm that the preferred business name is unique and available.

STEP 3 – Reserve the Business Name: After confirming name availability, reserve the business name through the Name Reservation Page.

STEP 4 – Complete the Pre-Registration Form: Log in to your CAC account and complete the appropriate pre-registration form for your type of business (e.g., Limited Liability Company, Business Name or Incorporated Trustee). Provide the required details including information about proprietors, partners or directors.

STEP 5 – Upload Required Documents: Prepare and upload scanned copies of the necessary documents, such as:

- Identification: any one of the listed National ID Card, Driver's license, or Voter's Card for Nigerians or an international passport for foreigners.
- Signed copies of the pre-registration documents.
- Passport-sized photographs.

STEP 6 – Pay Filing Fees and Stamp Duty: Calculate and pay the required fees directly through the CAC portal, which provides a breakdown of fees for various services.

STEP 7 – Submit the Application: After completing the forms and uploading documents, submit your application online for processing.

STEP 8 – Obtain the Certificate of Incorporation: Once approved, download your Certificate of Incorporation and the Certified Extracts of Registration from the CAC portal.

For detailed guidelines and access to the registration portal, visit the CAC's official website.

Note: specific requirements and processes may vary depending on the type of business entity you are registering. It is advisable to consult the CAC's resources or seek professional assistance to ensure compliance with all legal requirements.

2.0 Registration with NIPC

The Nigerian Investment Promotion Commission Act, Chapter N117, Laws of the Federation of Nigeria 2004 (NIPC Act), established the Nigerian Investment Promotion Commission (NIPC) to encourage, promote and coordinate investments in Nigeria. The Act also regulates the participation of foreign-owned businesses in the country.

2.1 Eligibility to Participate and Own Enterprises

Section 17 provides no restriction to ownership and participation by a non-Nigerian in any enterprise in Nigeria, except those defined on the 'Negative List' under Section 31 of the Act such activities such as the production of arms, ammunition, narcotics and related substances, and listed as activities covered by the Nigeria's Coastal Inland Shipping Act 2003 (Cabotage Act).

2.2 Establishment of an Enterprise

Section 19 reinforces Chapter 3, Section 78 of the Companies and Allied Matters Act (CAMA) 2020, that all foreign companies willing to operate in Nigeria are required to incorporate a local company in Nigeria before commencing business.

2.3 Registration of an Enterprise

Section 20 requires enterprises in which foreign participation is permitted to register with NIPC before commencing business.

3.0 Documentation for Business Registration with NIPC

To process NIPC business registration, applicants are required to visit NIPC registration portal(http://www.swip.nipc.gov.ng) and complete fill in the required form.

3.1 Required documents for Business Registration with NIPC

the following documents are required:

- Memorandum and Articles of Association.
- CAC Certificate of Incorporation.
- CAC Status Report (CAC Form 1.1 or CAC Forms CO2 and CO7 for old companies).
- Power of Attorney/Letter of Authority, where applicable.
- Evidence of payment of the processing fee. The source document states that payment is made via Remita and is non-refundable.
- Processing fee of N150,000.00 only

4.0 Documents Required for CAC Business Incorporation

The following documents are requirements for CAC business incorporation:

i. Approved Name Reservation Document – confirmation of name availability from CAC.

ii. Form CAC 1.1 (Application for Registration) – the primary registration form containing company details, including directors, shareholders and company secretaries.

iii. Memorandum and Articles of Association (MEMARTs) – defines the company's structure, objectives and governance and is mandatory for Limited Liability Companies.

iv. Proficiency Certificate (if applicable) – Required for businesses in regulated sectors (e.g., legal, medical, engineering or financial services).

v. Recognised means of identification for all Directors, Shareholders and the Company Secretary (any of the following):

- National ID card, Driver's Licence or Voter's Card for Nigerians, or International Passport for foreigners (bio-data page).

vi. Foreign Certificate of Incorporation and Board Resolution (if applicable) – Required if a foreign company or entity is subscribing to shares in a Nigerian company.

vii. Residence Permit of Resident Foreigners (if applicable) – A requirement for foreigners residing in Nigeria who are part of the company's board or shareholders.

viii. Stamp Duty Payment Evidence – Proof of payment via the Federal Inland Revenue Service (FIRS).

ix. Evidence of CAC Incorporation Fee Payment – The incorporation fee depends on the share capital.

x. Declaration of Compliance (Form CAC 4) – A document signed by a lawyer confirming compliance with the Companies and Allied Matters Act (CAMA).

4.1 Notes

- Public Limited Companies (PLC) and Companies Limited by Guarantee (GTE) may have additional requirements, such as minimum share capital or government approvals.
- Specialised industries, including Banking, Oil & Gas and Pharmaceuticals, may require additional regulatory approvals.
- The Corporate Affairs Commission has offices in all 36 States of the Federation, and incorporation can be submitted at any of these offices.

5.0 Exemption from Incorporation

The Companies and Allied Matters Act (CAMA) 2020 and Business Facilitation (Miscellaneous Provisions) Act 2023 provide exemptions to specific categories of business enterprises from incorporation in Nigeria.

A. Under Section 788(2) of CAMA 2020, a Foreign Limited Liability Partnership (LLP) intending to operate in Nigeria is required to incorporate as a separate entity. However, certain exemptions allow a foreign LLP to operate without incorporation. These exemptions apply where the LLP is:

- Invited by or with the approval of the Federal Government to execute a specific project.
- In Nigeria to execute a specific loan project on behalf of a donor country or international organisation.
- Owned by a foreign government and engaged solely in export promotion activities.
- An engineering and technical expert engaged in a specialist project under contract with any government in the Federation or its agencies, approved by the Federal Government.

All applications for exemption shall be forwarded to the Minister of Industry, Trade and Investment in compliance with the Companies Regulations 2021.

B. The Business Facilitation (Miscellaneous Provisions) Act 2023 expanded the categories of foreign companies exempt from incorporation in Nigeria to include those granted exemptions under any existing Act of the National Assembly.

6.0 Payment of Stamp Duty

In compliance with the Stamp Duties Act, companies are required to pay stamp duties on the share capital of the company being incorporated. The amount varies according to the company's share capital.

6.1 Documents for Stamp Duty Payment

- CAC 2 Form (statement of share capital).
- Two (2) copies of the Memorandum and Articles of Association, duly completed and signed.

6.2 Fees payable in respect of Stamp Duties on Business Incorporation

- Initial share capital and share capital increase.

Note: Applicants should check with FIRS for the prevailing fees at the time of payment.