

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 7 days

Cost: No cost

Comments: Following incorporation with Corporate Affairs Commission, a newly established business must register and obtain a business premises permit from the Ministry of Commerce and Industry.

Procedure 9*. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: The business premises permit fees for first time registration are set at NGN 10,000 for business situated in urban areas and NGN 5,000 for rural areas. The renewal fees are NGN 5,000 and NGN 1,000 respectively. Fees for the business premises permit are paid into a government account at a designated bank.

*This procedure can be completed simultaneously with previous procedures.

BAUCHI, Bauchi

Standard company legal form: Limited Liability Company

Paid in minimum capital requirement: none

Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually is 3 days in this state. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents

Time: 4 days

Cost: NGN 500 (costs of incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Bauchi and housed in the same premises with the CAC

Procedure 3. Pay stamp duty into a government account at a designated bank

Time: 1 day

Cost: NGN 12,598 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association)

Comments: Payment is made at any of the receiving banks designated by the stamp duty office of the Federal Board of Inland Revenue.

Procedure 4. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 5. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 Incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association, + NGN 2,000 for certified true copy of particulars of directors, +NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 6. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 3, Notice of registered address;
- Form CAC 7, Particulars of directors;
- Form CAC 4, Declaration of compliance and the prescribed registration fees;
- Copy of the reservation of company name approval;
- Form CAC 2, Statement of share capital and return of allotment of shares.

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There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 7. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:-

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- Name, address of tax adviser;
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The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 8. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 9. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 4 days

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 10. Pay registration fees and obtain business premises permit from the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The cost of business premises registration is a 'fixed' charge depending on the type of company. In this case the company is considered to be in Category A and located in the suburbs of the city. For category A which includes a company carrying out general commercial activities, the fee is NGN 10,000 for first time registration upon incorporation, and subsequent annual payments of NGN 5,000 as renewal fee. The fees are paid directly to the Ministry of Commerce and Industry. A business premises permit is issued to the applicant after payment is made.

BAYELSA, Yenagoa

Standard company legal form: Limited Liability Company

Paid in minimum capital requirement: none

Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually no more than 5 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 10 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

The recent reduction in stamp duty payment to 0.75% of the nominal share capital is still not widely disseminated in the state. As such, the lawyers still obtain stamp duty payments at 1.5% of share capital from entrepreneurs and only pay over the amount of the official rate to the stamp duty office. Since this procedure is usually handled by the lawyers, the entrepreneurs in this state who are not aware of the reduced official costs associated with handling the stamping of the incorporation documents pay more than their counterparts in other states.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.