



Breaking News: The Corporate Affairs Commission (CAC) Set to Strike Off Dormant Companies: Urgent Compliance Required

Description

In a significant move, the Corporate Affairs Commission (CAC) has announced its intention to strike off defunct or dormant companies from the official register.

This decision, made under the powers granted by Section 692(3) and (4) of the Companies and Allied Matters Act, 2020 (CAMA), could have far-reaching consequences for businesses that have failed to file their annual returns for the past ten years.

Urgent Compliance Notice: 90-Day Deadline Companies that are currently non-compliant have been given a 90-day window starting from July 24, 2024, to file all outstanding annual returns.

Failure to meet this deadline could result in the company being struck off the register, effectively ending its legal existence.

To avoid this drastic outcome, companies are urged to promptly file their returns and notify the CAC via email at activation@cac.gov.ng to remove their names from the list of defaulters.

The full list of affected companies is available on the CAC's official website at www.cac.gov.ng.

The Impact of Being Struck Off: What You Need to Know

Being struck off the CAC register is not just a bureaucratic formality, it marks the end of a company's legal life.

When a company is removed from the register, it loses its status as a legal entity. This means it can no longer conduct business, sign contracts, or defend legal actions in its name.

Essentially, the company ceases to exist in the eyes of the law.

1. **Loss of Legal Status:** Once a company is struck off, it can no longer operate, own assets, or engage in any business activities. Its name, registration number, and corporate rights are terminated. Directors and officers lose their authority to act on behalf of the company, and the company itself cannot initiate or respond to lawsuits.
2. **Asset Disposal:** If a company is struck off, any remaining assets must be managed or disposed of according to legal requirements. This process may involve the CAC or other regulatory bodies overseeing the liquidation or restoration of assets.
3. **Accountability of Directors:** Even after a company is struck off, directors and officers may still be held accountable for actions taken before the company's dissolution. Non-compliance or misconduct can lead to legal consequences, including personal liability for wrongful acts.

Final Thoughts: Act Now to Protect Your Company The CAC's decision to enforce this measure underscores the importance of maintaining compliance with CAMA regulations.

Striking off is a serious action that terminates a company's existence, affecting not just the business but also its directors, employees, and stakeholders.

Companies that believe they have been unfairly struck off can apply for reinstatement, provided they can present valid reasons to the CAC.

To avoid the severe repercussions of being struck off, it is imperative that companies take immediate action.

Ensure all annual returns are up-to-date and submit any necessary documentation before the 90-day deadline expires.

Remember, once a company is struck off, its legal status is dissolved, and the road to reinstatement can be both challenging and time-consuming.

For more information and to check if your company is affected, visit www.cac.gov.ng today.

Don't wait, act now to secure your company's future.

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