



Filing for Allotment of Shares: Requirements, Procedure, and Costs

Description

When a company issues new shares, it must file a return of allotment with the Corporate Affairs Commission (CAC) in Nigeria.

This is done in line with the **Companies and Allied Matters Act (CAMA) 2020** to properly document the newly issued shares.

Here is a detailed breakdown of the requirements, online filing procedure, and costs involved.

Requirements for Filing Return of Allotment of Shares

To successfully file a return of allotment with the CAC, the following documents and information must be submitted:

1. **Special Resolution Signed by Two Directors**

A special resolution passed and signed by two directors authorising the share allotment.

2. **Completed Online Form for Return of Allotment**

This is the official Online CAC form that must be completed with details such as the number of shares allotted and the particulars of each allottee.

3. **Photocopy of International Passport or National ID Card of Allottee**

Each allottee must submit a photocopy of their identification (either an international passport or a national ID card).

4. **Resolution for Forfeiture of Shares (if applicable)**

If shares are forfeited before allotment, the company's resolution for the forfeiture should be included.

5. **Updated Annual Returns Filing**

The company's annual returns must be up to date before filing the return of allotment.

6. **Payment of Filing Fees**

The company must pay the required filing fees to the CAC.

7. **Evidence of Payment of FRC Annual Dues**

Companies are required to submit proof of payment for Financial Reporting Council (FRC) annual dues if applicable.

Online Filing Procedure with the CAC

Filing the return of allotment is now done online through the CAC's portal.

Here is the step-by-step process:

1. **Log in to the CAC Portal**

Access the CAC online portal and log in using your company's credentials. You will need to create an account if you do not have one.

2. **Select 'Return of Allotment'**

Navigate to the "Post-Incorporation" section, then choose "Return of Allotment" from the list of services.

3. **Fill in the Required Information**

Input details about the allotment, including the number of shares, the names of the allottees, and the corresponding amounts paid. Upload all required documents like the special resolution, ID cards of allottees etc.

4. **Payment of Fees**

The system will generate a Remita invoice for the necessary fees. You will pay directly through the gateway online portal.

5. **Submit the Application**

After completing the form and uploading the documents, submit the application. You will receive an acknowledgment of submission and can track the application's status through the portal.

Costs Involved

Below is a breakdown of the potential costs involved when filing the return of allotment with the CAC:

Service	Cost (₦)
CAC Filing Fee	₦15,000
Legal/Professional Fees	₦50,000 – ₦120,000
FRC Annual Dues (if applicable)	Varies depending on the size and industry of the company

Note: These costs may vary depending on the complexity of the transaction, the number of shares being allotted, and any additional compliance requirements the company needs to meet.

Legal Provisions

Under **Sections 149 and 154 of CAMA 2020**, a company must notify the CAC of any allotment of shares. The return of allotment must be filed within one month of the share issuance.

Failing to comply with this deadline could result in penalties, and the allotment may not be recognised legally.

Conclusion

Filing a return of allotment with the CAC is a straightforward process that ensures the legal recognition of new shareholders and their shares in the company.

By following the correct online procedure and submitting the necessary documents, companies can ensure compliance with CAMA 2020 and avoid legal complications.

For timely and accurate filing, companies should work with legal professionals to ensure all documents are properly prepared and submitted.

Category

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