



How to Start a Private Security Guard Service Company In Nigeria: Costs And Requirements

Description

In Nigeria, the demand for private security services alongside public security provisions is on the rise.

Establishing a private security guard service company requires adherence to specific regulations set forth by the Nigerian Security and Civil Defense Corps (NSCDC).

This article provides a comprehensive guide to the costs and requirements involved in starting a private security company in Nigeria.

Two Important Steps for Setting Up Private Security Companies in Nigeria:

1. **Company Registration:** To initiate a private security company registration of a private limited liability company with a minimum authorised share capital of N10,000,000 is mandatory. This registration is conducted through the Corporate Affairs Commission (CAC).
2. **Licensing from NSCDC:** The NSCDC oversees the licensing, monitoring, and supervision of private security companies. Obtaining a private guard license from the NSCDC is imperative for commencing operations.

Requirements for CAC Registration:

To register a private security company with the CAC, the following information and documents are required:

- Details such as full names, home addresses, gender, age(Date of Birth), citizenship, contact numbers, and email addresses of the intended DIRECTORS, SHAREHOLDERS, AND SECRETARY.
- Share Capital Investment (Must meet or exceed N10,000,000 in ordinary shares) and allocation of shares within the company must be expressly stated.
- Primary goal of the company must state the provision of private security services to client
- Forms of identification for the Directors and shareholders such as data page of International passport or National ID Card.
- Business location of the company

Requirements for NSCDC Licensing:

The NSCDC sets forth specific requirements for obtaining a private guard license, including:

1. Application for authorisation to operate as a private guard addressed to the Commandant General
2. Proof of company enrollment with a minimum of N10,000,000 authorised share capital and a minimum of 3 directors. One director must be a retired military or high-ranking retired policer.
3. Certified True Copies (CTC) of Memorandum and Article of Association (2 duplicates)
4. Duplicates of certificates of incorporation (2 copies)
5. Payment of prescribed fees
6. Verification of tax clearance certificate
7. Account statement
8. Correspondence from a legal consultant
9. Correspondence from an auditor
10. Proposed training agenda for staff
11. Proposed remuneration structure
12. Optional veterinary certificate
13. Personal History Statement (PHS) forms at a fee of One Hundred Thousand Naira (N100,000) each. Each director must obtain one.
14. Verification of directors' credentials (2 copies) to be appended with PHS form.
15. Correspondence from a banking institution to establish solvency
16. Eight (8) passport-sized photographs for each director
17. Eight (8) full photographs (postcard size 5 x 7 inches) of each director against a white background, with fingerprints and signature at the back of the postcard. This should be witnessed by officers of the Nigeria Security and Civil Defence Corps.
18. Duplicate of the signature page of the directors' international passport, National ID Card, or Driver's License stapled at the back cover of the file jacket.
19. PHS form must be thoroughly completed by the directors, stating Nil or Not Applicable for sections they cannot address, and no section should remain unfilled.
20. Confirmation letters from referees for each director
21. Two copies of a uniform sample with a photograph of a guard in Uniform. The uniforms and accessories must not resemble any government agency or be similar to those of any other private guard companies (PGCs).
22. Processing fee of N500,000 (Five Hundred Thousand Naira)

Licensing Categories and Fees:

The NSCDC categorises private security companies based on the number of guards they intend to employ, with corresponding license fees:

- Category A: License fee of N3,000,000 for companies with more than 3,000 guards
- Category B: License fee of N2,500,000 for companies with up to 3,000 guards or less.

Additional Requirements:

In addition to CAC registration and NSCDC licensing, other requirements include:

- **Acquire a Taxpayer Identification Number (TIN):** Following company formation, the subsequent stage involves obtaining a Taxpayer Identification Number (TIN) from the Federal Inland Revenue Service (FIRS). This identifier is essential for acquiring a Tax Clearance Certificate for NSCDC documentation and for filing the company's tax returns.
- **Enroll with the Nigerian Social Insurance Trust Fund (NSITF):** Every thriving business operating in Nigeria must enroll with the Nigerian Social Insurance Trust Fund (NSITF) and contribute towards the well-being of their workforce. This enrollment process is available via the NSITF website for online registration.
- **Secure a Police clearance certificate:** Prior to seeking an NSCDC license, the company's leadership and prospective security staff must secure police clearance certificates from the Nigeria Police Force. This document confirms that the directors and security personnel have no criminal history.
- **Acquire insurance coverage:** The company is also required to secure insurance coverage for both its security personnel and operations. This process entails reaching out to an insurance provider and furnishing them with the requisite details about the company's insurance needs.
- **Undergo training:** After the interview, the company must ensure that its security personnel undergo the necessary training and pass the NSCDC qualifying examination. This training will include topics such as security operations, weapons handling, and civil defence laws.

Summary of Costs for the processing of Private Security Company License

Fee Type

Official CAC Registration Fee/Stamp duty for a 10m share company

NSCDC Application Fee

NSCDC License Fee (Category A)

NSCDC License Fee (Category B)

Personal History Statement(PHS) Form (For each Director)

Prof Fee

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Conclusion:

Starting a private security guard service company in Nigeria involves meticulous planning and adherence to regulatory requirements set by the NSCDC and CAC.

By following the outlined steps and fulfilling the necessary criteria, aspiring entrepreneurs can establish a reputable and compliant private security business in Nigeria.

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