Costs And Requirements For ITF Compliance Certificate Processing In Nigeria

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Description

In the realm of government contracting in Nigeria, one indispensable document that any business organisation aiming to bid for government contracts must possess is the Industrial Training Fund (ITF) Compliance Certificate.

This document, issued by the Industrial Trust Fund, serves as evidence of compliance with the Industrial Training Fund Act (ITFA) and is crucial for organisations seeking to be classified as government contractors or suppliers.

Cost Breakdown for ITF Compliance Certificate

Before delving into the detailed requirements, it is essential to understand the financial implications associated with obtaining the ITF Compliance Certificate.

Here is a breakdown of the key costs involved:

1. **Audited Account:** The cost of preparing audited accounts typically ranges from **N 60,000 to N 150,000.** This cost may vary depending on the complexity of the company's financial records and the engagement with auditing firms.

2. **Training Contribution:** Employers are required to remit **1%** of the total annual payroll of their employees to ITF. The cost of this contribution varies based on the size of the company's workforce and its annual turnover.

3. **New Start-up Company Fee:** New start-up companies with fewer than five employees may be required to pay a fixed fee of **N 120,000** for ITF compliance.

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4. **Penalty for Late Filing:** Failure to comply with filing deadlines incurs penalties of **5%** of the unpaid amount for each month of default.

5. **Professional Fees:** Engaging professional services for compliance processes, such as assistance with filling forms and navigating regulatory requirements, may incur fees ranging from **N 150,000 to N 250,000.**

Requirements for ITF Compliance Certificate processing

In addition to the financial costs, there are several requirements that must be fulfilled to obtain the ITF Compliance Certificate:

- **Certificate of Incorporation:** A copy of the company's Corporate Affairs Commission's Certificate of Incorporation is required to verify the legal status of the

business.

- **Audited Account:** Certified true copies of the company's Audited Account must be provided to demonstrate financial transparency and compliance with accounting standards.

- **Tax Clearance Certificate**: A copy of the company's Tax Clearance certificate is necessary to confirm compliance with tax regulations and financial obligations to the government.(Though, a Tax Identification Number (TIN Slip) may suffice in the event of the absence of a Tax Clearance Certificate).

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Registration Process for an ITF Compliance Certificate

The process of registering a new employer for an ITF compliance certificate involves several steps:

- **Download and Complete Form:** Prospective employers can download ITF Form 7A (Employer Registration and Payment of Training Contribution Form) and complete it with accurate information.

- **Submission of Documents:** Submit the completed form along with necessary documents, including the Certificate of Incorporation, Certified True Copy of the Audited Account, and Tax Clearance Certificate (or TIN Slip), to the nearest ITF area office.

- **Assessment of Liability:** ITF officials will evaluate the liability of the company based on the total annual payroll contained in the Audited Account.

- **Payment of Training Contribution:** Generate a Remita Retrieval Reference (RRR) based on the assessment and make payment at any bank.

- **Receipt and Acknowledgement:** Return the Remita payment receipt and duplicate teller from the bank to the ITF office to receive a hard copy receipt and an acknowledgment letter.

- **Issuance of Certificate:** The ITF Area Office will forward the employer's details to Headquarters for issuance of an ITF National Number and subsequently, scripting and issuance of a Certificate of Compliance.

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Summary of Costs For ITF Compliance Certificate

Cost Component	Estimated Cost (NGN)/%
Audited Account	N 60,000.00k to N 150,000.00k
Training Contribution	1% of the total annual payroll of their employe
New Start-up Company Fee	N 120,000.00k
Penalty for Late Filing	5% of the unpaid amount for each month of de
Professional Fees	N 150,000 to N 250,000

In conclusion, obtaining the ITF Compliance Certificate is not just a legal obligation but a testament to a company's commitment to employee development and compliance with industrial training regulations.

By understanding the costs, fulfilling the requirements, and following the registration process diligently, businesses can position themselves for success in government contracting endeavours.

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