

Costs and Requirements for Company Incorporation/Registration In Nigeria

ICA (Ibe Chido & Asociates)

Description

Incorporating a company in Nigeria involves various regulatory processes and costs that businesses need to consider.

With over 15 years of experience in regulatory compliance, we provide you with a detailed breakdown of the expenses associated with company incorporation/registration in Nigeria.

Detailed Cost Breakdown

Before initiating the incorporation process, it is essential to understand the costs involved. Here is a comprehensive breakdown:

- Reservation of Company Name: The first step involves reserving a unique name for your company. This ensures that the proposed name is not already in use and is available for registration. The fee for name reservation is 1,500 Naira, with additional charges incurred through Remita, typically amounting to **N 1,561.25k**.

- Private Company Registration (1 million NGN share capital): For private companies with a share capital of 1 million Naira or less, the registration fee is a flat rate of 10,000 Naira.

- Private Company Registration (1 million NGN share capital): Private companies with a share capital **exceeding** 1 million Naira incur a registration fee of 5,000 Naira for every 1 million Naira of share capital or part thereof.

- Private Company Registration (500 million NGN share capital): Private companies with a share capital above 500 million Naira are charged a registration fee of 7,500 Naira for every 1 million Naira of share capital or part thereof.

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- Public Company Registration (1 million NGN share capital): Public companies with a share capital of 1 million Naira or less are required to pay a registration fee of 20,000 Naira.

- Public Company Registration (1 million – 500 million NGN share capital): Public companies with a share capital exceeding 1 million Naira but not more than 500 million Naira are charged 10,000 Naira for every 1 million Naira of share capital or part thereof.

- Public Company Registration (500 million NGN share capital): Public companies with a share capital above 500 million Naira incur a registration fee of 15,000 Naira for every 1 million Naira of share capital or part thereof.

- Registration for Companies without Share Capital: Companies that do not have a share capital are required to pay a flat registration fee of 20,000 Naira.

- Filing Notice of Exemption for Foreign Companies: Foreign companies seeking exemption from registration in Nigeria must file a notice of exemption, incurring a fee of 30,000 Naira.

- Reinstatement or Relisting of Company Name: In cases where a company's name has been struck off, the fee for reinstatement or relisting is 25,000 Naira.

- Registering Charges for Private Companies: Private companies registering charges incur a fee of 10,000 Naira for every 1 million Naira or part thereof.

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- Registering Charges for Public Companies: Public companies registering charges are charged 20,000 Naira for every 1 million Naira or part thereof.

- FIRS Stamp Duty (First 1 million NGN share capital): Stamp duty charges apply to share capital. The fee for the first 1 million Naira of share capital is 8,500 Naira.

- FIRS Stamp Duty (Subsequent millions): For share capital exceeding 1 million Naira, subsequent millions incur a stamp duty fee of 7,500 Naira.

Note: All fees are subject to change based on regulatory updates.

Requirements for Company Incorporation/Registration

Now that we have covered the costs, let's discuss the requirements set forth by Nigerian authorities for company incorporation/registration:

1. **Name Reservation**: The proposed company name must be unique and available for registration. This ensures clear identification and differentiation from existing entities.

2. **Director, Shareholder, and Secretary Details:** Comprehensive information about individuals holding key positions within the company is required. This includes names, residential addresses, gender, age, nationality, phone numbers, and email addresses of proposed directors, shareholders, and the company secretary.

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3. **Shareholding Structure:** The shareholding structure among shareholders must be clearly defined. This involves specifying the percentage of shares each shareholder will own and any agreements related to share distribution.

4. **Main Objects of the Company:** Clearly outlining the primary objectives and activities of the company is necessary. This provides clarity on the purpose and scope of the business, guiding its operations and legal standing.

5. **Means of Identification:** Valid means of identification for the company secretary, directors, and shareholders are required. Accepted forms of identification include national identity cards, Data page of Int'l passports, or driver's licenses.

6. **Proposed Office Address:** Specifying the registered office address of the company is necessary for legal and administrative purposes. This address will serve as the official location for communication and documentation related to the company.

Professional Fees

In addition to statutory fees, businesses often incur professional fees for assistance with the incorporation process.

These fees typically range from 100,000 to 250,000 Naira or more, depending on the share capital, expertise and experience of the hired professional.

Professional services may include legal counsel, consulting, documentation preparation, and expedited processing.

Explanation of Share Capital

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The share capital of a company represents the total value of all shares issued by the company.

It determines the ownership structure and financial strength of the company.

Companies with higher share capital typically have greater financial resources and may incur higher registration fees as a result.

The registration fees are structured to reflect this, with varying rates based on the amount of share capital.

Conclusion

Understanding the costs and requirements associated with company incorporation/registration in Nigeria is essential for entrepreneurs and business owners.

By carefully considering these factors and seeking professional guidance when necessary, you can navigate the incorporation process with confidence.

Remember to stay informed about regulatory updates and consult with experienced professionals to ensure compliance and facilitate a smooth registration process for your company.

SUMMARY OF CAC INCORPORATION FILING/FIRS STAMP DUTY COST.

Service	Cost (Naira)	Explanation
Reservation of Company Name	1,000 (+ Remita charges of N 161.25k)	This fee covers the reservation of a unique company name, ensuring it is available for registration.
Private Company Registration (1 million NGN share capital)	10,000	For private companies with a share capital of 1 million Naira or less, the registration fee is a flat rate of 10,000 Naira.
Private Company Registration (1 million NGN share capital)	5,000 for every 1 million NGN	Private companies with a share capital exceeding 1 million Naira incur a registration fee of 5,000 Naira for every 1 million Naira of share capital or part thereof.
Private Company Registration (500 million NGN share capital)	7,500 for every 1 million NGN	Private companies with a share capital above 500 million Naira are charged a registration fee of 7,500 Naira for every 1 million Naira of share capital or part thereof.
Public Company Registration (1 million NGN share capital)	20,000	Public companies with a share capital of 1 million Naira or less are required to pay a registration fee of 20,000 Naira.
Public Company Registration (1 million – 500 million NGN share capital)	10,000 for every 1 million NGN	Public companies with a share capital exceeding 1 million Naira but not more than 500 million Naira are charged 10,000 Naira for every 1 million Naira of share capital or part thereof.
Public Company Registration (500 million NGN share capital)	15,000 for every 1 million NGN	Public companies with a share capital above 500 million Naira incur a registration fee of 15,000 Naira for every 1 million Naira of share capital or part thereof.
Registration for Companies without Share Capital	20,000	Companies that do not have a share capital are required to pay a flat registration fee of 20,000 Naira.

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Filing Notice of Exemption for Foreign Companies	30,000	Foreign companies seeking exemption from registration in Nigeria must file a notice of exemption, incurring a fee of 30,000 Naira.
Reinstatement or Relisting of Company Name	25,000	In cases where a company's name has been struck off, the fee for reinstatement or relisting is 25,000 Naira.
Registering Charges for Private Companies	10,000 for every 1 million NGN	Private companies registering charges incur a fee of 10,000 Naira for every 1 million Naira or part thereof.
Registering Charges for Public Companies	20,000 for every 1 million NGN	Public companies registering charges are charged 20,000 Naira for every 1 million Naira or part thereof.
FIRS Stamp Duty (First 1 million NGN share capital)	8,500	Stamp duty charges apply to share capital. The fee for the first 1 million Naira of share capital is 8,500 Naira.
FIRS Stamp Duty (Subsequent millions)	7,500	For share capital exceeding 1 million Naira, subsequent millions incur a stamp duty fee of 7,500 Naira.

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