

How to register your Business Name in Nigeria

How to register your Business Name



The registration of your business with the Corporate Affairs Commission (CAC) is one of the requirements of doing business with a name other than your personal name in Nigeria. The Corporate Affairs Commission (www.cac.gov.ng) is the body saddled with the responsibility of regulating the formation and management of companies in Nigeria. In this write-up, I will be explaining the steps involved in registering a Business Name in Nigeria.

The registration of business name under the Companies and Allied Matters Act of 1990 confers on the proprietor or partners the right to carry out their business under a Business Name. It does not confer any special right or privilege or licence to carry on the business itself. For instance, if I register a hospital with the commission, it doesn't grant me the right to practice medicine. I still have to obtain the licence from relevant professional bodies. However, it's very essential to register your business name, especially if your business has prospects for growth to avoid incurring the wrath of the law and unnecessary litigations in future.

To register your Business Name, you can employ the services of a professional or you can do it yourself especially if you have some time to spare. Where professional advice is necessary are for Company Limited by Guarantee (LTD/GTE), Public Liability Company (PLC), Incorporated Trustees etc. I will never forget a woman complaining of paying ₦50,000 to a professional for the registration of her school who keep giving her one excuse or the other. She had no choice than to do it herself. if you decide to register yours yourself, then these are the steps involved:

- I. Visit any of the Corporate Affairs Commission offices across Nigeria. In Abuja, they are at

Plot 420 Tigris Crescent off Aguyi Ironsi Street Maitama.

In Lagos: 17 Oweh Street Yaba Lagos. or
Jobi Fele way Alausa Ikeja, Lagos.

You can also check their website for their office nearest to you
(www.cac.gov.ng or www.cacnigeria.org).

II. Purchase the 'Availability Check and Reservation of Name Form' (CAC 1) at the time of writing, it goes for ₦=200. You can also download the form [here](http://www.cacnigeria.org/downloads.html) (www.cacnigeria.org/downloads.html). But I guess you will still need to pay the ₦=200 because you need to submit the form with your receipt. The figure below shows the Form CAC 1. [Form CAC 1](#)

CORPORATE AFFAIRS COMMISSION

FORM CAC 1

AVAILABILITY CHECK AND RESERVATION OF NAME
Provided in Sections 21, 64 and 65

Name of Presenter: _____
Accreditation No.: _____ Telephone No.: _____
Address: _____
State: _____ P.O. Box: _____ City: _____ Email: _____

I hereby apply for the availability of
PROPOSED NAME OF COMPANY TO BE REGISTERED/INCORPORATED/TRADEDED

OPTION ONE

OPTION TWO

PRINCIPAL AGENT AND AUTHORIZED SIGNATORY
1. _____
2. _____
3. _____

CLASSIFICATION
The name is to be used for:

| | |
|---|--|
| <input type="checkbox"/> A. Private Limited Company (PLC) | <input type="checkbox"/> B. Company Limited By Guarantee (CLG) |
| <input type="checkbox"/> C. Public Limited Company (PLC) | <input type="checkbox"/> D. Business Name |
| <input type="checkbox"/> E. Unlimited Company (ULC) | <input type="checkbox"/> F. Incorporated Trustee |

Stamp No. _____ Date of _____ IN _____

Signature of Presenter _____

III. Fill in your name for 'Name of Presenter', your address, email etc. You don't need to fill anything for 'Accreditation Number'. Enter your preferred business name for 'Option One' and alternative name for 'Option Two'. In the section 'The name is to be used for' Tick the box after 'Business Name'. Those are the important things, write the date and sign.

IV. Submit the form with a copy of the receipt, you will be asked to come back in 14-21 days time.

This is the most challenging stage of the whole process because you can't proceed to the next stage if your Business Name has not been approved. If both names 'Option 1 and 2' fail, you have to buy another 'Availability Form' and go through the process again. I'm hoping that CAC will automate this process; it would have been a lot easier if you can do all this online. But for now this is how it works.

V. After the availability of your Business Name has been established, the Business Name will be reserved for you for a period of 60 days within which you have to complete the registration. Currently, the Application for Registration of Business Name form goes for ₦= 4,000 and file for ₦=250.

The sample of the form is shown below

CORPORATE AFFAIRS COMMISSION

CAC 2012
APPLICATION FOR REGISTRATION OF BUSINESS NAME
Particulars of Section 61

Reg No.

A. State of Business:

B. General Nature of Business:

C. Full Address of Principal Place of Business:

D. Full Address of Branch(es) (if any):

E. Particulars of Proprietor (other than Corporation):

| 1. | | 2. | |
|-------------|----------------------|-------------|----------------------|
| Name | <input type="text"/> | Name | <input type="text"/> |
| Age | <input type="text"/> | Age | <input type="text"/> |
| Sex | <input type="text"/> | Sex | <input type="text"/> |
| Nationality | <input type="text"/> | Nationality | <input type="text"/> |
| Address | <input type="text"/> | Address | <input type="text"/> |
| State | <input type="text"/> | State | <input type="text"/> |
| Signature | <input type="text"/> | Signature | <input type="text"/> |

VI. In this form, you fill in the approved Business Name, the general nature of business, business address, proprietor(s) and partners (if any) etc. You are not expected to fill everything in this form as most of them are for cases where there are multiple proprietors and when a proprietor is less than 18 years old. You also need to submit this form with the receipts, you will be asked to come for your certificate in 14-28 days time.

These are the steps for your business name registration, however in certain occasions, waivers are granted to these procedures such as during Trade Fairs. In these events, you don't have to go through all the procedures for determining availability of your business name, hence the process is faster.

If you need the assistance of a Lawyer, follow this link
<http://www.hg.org/law-firms/domain-names/nigeria/lagos.html>

THE COST OF REGISTERING A COMPANY NAME

This is my own little working knowledge of business registration: You have registration of business name and then limited liability company registration. This involves shareholders and stuffs. Business name registration which can be done in any of the state offices is in the order of 10K while the Limited liability Company

which has to go through Abuja (directly or indirectly) is in the order of 45K.

Make sure you go through a Lawyer to have your company name registered. Follow this link for the directories of accredited Lawyers in Nigeria. <http://www.hg.org/law-firms/domain-names/nigeria/lagos.html>

HERE IS ANOTHER OPTION ON HOW TO REGISTER YOUR COMPANY NAME IN NIGERIA/LAGOS STATE

- The next process would be to register your business. The Corporate Affairs Commission (CAC) is the government agency charged with the responsibility of the registration of companies, business names and incorporated trustees. CAC's head office is in Abuja but it also has smaller offices in some other states which offer the same services.

According to the [Doing Business 2010](#) report it requires eight procedures and takes 31 days for a standard small to medium sized company to start operations legally. Out of 183 countries, Nigeria ranks 108 for the ease and cost of starting a business. For those who don't want to go through the effort of registering a company themselves, some law firms and other organisations provide the service. Be sure to first check the credentials of firms offering such services.

According to the *Doing Business 2010* report, the following procedures need to be taken to set-up a business in Lagos State (procedures may vary from state to state).

Procedure 1

Check the availability of company name with CAC online

Time to complete: two days

Cost to complete: ₦200 (US\$1.3) application form

Comment:

The CAC Online System was commissioned in June 2005. The system envisaged an online search of unique company names immediately upon the purchase of an e-payment card from an accredited bank. Although this service is widely advertised by CAC, until now the system is not fully operational either because of power fluctuation or because of lack of availability of the pre-paid cards necessary to conduct the on-line transaction. In most cases, the applicants have to go to the CAC office to complete this procedure.

Procedure 2

Prepare the requisite incorporation documents and pay the stamp duty

Time to complete: seven days

Cost to complete: stamp duty included in Procedure 4

Comment:

To prepare the requisite incorporation documents, the incorporators must complete the necessary statutory forms, prepare and print the memorandum and articles of association, and have them stamped by the Federal Board of the Inland Revenue Service.

Procedure 3

Notarise the declaration of compliance (CAC 4)

Time to complete: one day

Cost to complete: ₦200 (US\$1.3)

Comment:

The declaration by the barrister or solicitor engaged in the formation of the company may be sworn to at either the State High Court for a fee of ₦200 (US\$1.3) or at the Federal High court for a fee of ₦20 (US\$0.13).

Procedure 4

Register the company with CAC and pay fees at the bank desk of CAC

Time to complete: eleven days

Cost to complete: ₦60,000 (US\$402) legal fees + ₦500 (US\$3.3) incorporation forms + ₦10,000 (US\$67) incorporation fees (an extra ₦50,000 (US\$335) for same-day processing) + 0.75% stamp duty paid on capital + ₦500 (US\$3.3) for each additional copy of Memorandum and Articles of Association stamped + ₦3 (US\$0.02)

Comment:

To register the company with CAC, the following incorporation documents need to be submitted:

- Name reservation and availability form
- Memorandum and Articles of Association, stamped by the commissioner for stamp duties (two copies)
- Form CAC 3, notice of registered address
- Form CAC 7, particulars of directors
- Form CAC 2, statement of share capital and return of allotment of shares

Incorporation fees are:

- ₦10,000 (US\$67) for a company whose nominal share capital does not exceed ₦1,000,000 (US\$6,711) and ₦10,000 (US\$67) for every ₦1,000,000 (US\$6,711) thereafter.
- ₦500 (US\$3.3) incorporation forms
- 1.5% stamp duty paid on capital
- ₦500 (US\$3.3) for each additional copy of Memorandum and Articles of Association stamped

- ₦3,000 (US\$20) for certified true copy of Memorandum and Articles of Association
- ₦2,000 (US\$13) for certified true copy of particulars of directors
- ₦2,000 (US\$13) for certified true copy of particulars of shareholders. Moreover, ₦60,000 (US\$402) is the approximate cost of company incorporation conducted by professionals (lawyers, chartered accountants or chartered secretaries) accredited by CAC. The payment can be done at the bank desk at CAC.

Procedure 5

Register with the Federal Board of Inland Revenue Department of the Ministry of Finance

Time to complete: four days

Cost to complete: no charge

Comment:

The Federal Inland Revenue Service (FIRS) requires the applicant to complete tax registration forms for corporate income tax registration as well as VAT. The company submits an application letter to the tax authority for a tax clearance certificate and, for income tax purposes, registers at the integrated tax office.

The registration process requires submitting a completed tax office-issued application (taxpayer registration input form, TRIF/2006/001 COYS) and the following documents:

- Completed FIRS questionnaire
- Memorandum and Articles of Association (copy)
- Certificate of Incorporation (copy)
- Directors' names and addresses
- Tax advisor's name and address
- Letter of appointment of a tax advisor and corresponding letter of acceptance
- The date the company commenced business
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses
- Other sources of income of the chairman and the promoters of the company
- Name and addresses of the principal officers of the company including the chairman, managing director, legal advisor and accountant

To register, the company must submit the taxpayer registration input form in triplicate, and the original certificate of incorporation must be presented for review by the controller. Upon the completed taxpayer registration input form and all other documents being

received, a tax reference number is allocated. An application must be filed for the tax clearance certificate; its issuance is not automatic.

Procedure 6

Register for personal income tax PAYE at the State Tax Office

Time to complete: two days, simultaneous with previous procedure

Cost to complete: no charge

Comment:

All employers shall register with the relevant state tax authority for income tax withholding. Once the application is filed, with a copy of the certificate of incorporation attached, a reference file is opened for the company.

Procedure 7

LSSAA signage inspection

Time to complete: seven days, simultaneous with previous procedure

Cost to complete: no charge

Comment:

The Lagos State Government has developed a new state law which entitles it to impose signage fees. This law is much more developed than most other state laws. The local government was divested of the power to carry out this function in January 2007 to the Lagos State Signage and Advertising Agency (LSSAA).

LSSAA regulates outdoor display in business premises in Lagos State. Any company that is doing business in Lagos State that has an outdoor display in the form of advertisement at the premises or any vehicle of the company must register the display with the agency. LSSAA issues the questionnaire regarding the application to erect a signboard outside business premises, etc. This questionnaire is completed by newly established businesses within the state and submitted to LSSAA, who will scrutinise the completed questionnaire and arrange for an inspection of the signboard at its location. The registration is done in two phases:

- Pre-scrutiny stage: the applicant pays the sums of ₦8,500 (US\$57) and ₦6,500 (US\$43) as initial fees for assessment and survey respectively.
- Formal application: the application fee is ₦2500 (US\$16). In addition a copy of the gazette on the LSSAA is attached to the application form for a fee of ₦1,000 (US\$6.7). After the above, the application will be forwarded to the billing and assessment department of the agency to determine the fee payable for the issuance of the permit. The amount of fee is determined by the dimension and location of the outdoor display. In most other states in Nigeria signage and related compliance issues are handled by the local government council.

Procedure 8

Pay signage fees at a designated bank

Time to complete: one day

Cost to complete: ₦18,500 (US\$124)