

REGISTERING YOUR BUSINESS

“The first step in making rabbit stew is catching the rabbit.”

--Isaac Asimov--

The first step in the voyage to actualizing your concepts, plans and visions is registering your business. In Nigeria, that starts at the Corporate Affairs Commission (CAC), which has its headquarters at:

Plot 420, Tigris Crescent,
Off Aguiyi Ironsi Street,
Maitama, Abuja.
Nigeria.
Website: new.cac.gov.ng

Registration of Businesses with the Corporate Affairs Commission (CAC)

Business activities may be undertaken in Nigeria through any of the following vehicles:

- Sole Proprietorship;
- Partnership;
- Private or Public limited liability Company;
- Unlimited liability company;
- Foreign Company (branch or subsidiary of a foreign company);
- Incorporated Trustees;
- Representative Office.

The most popular business vehicles are:

1. Sole Proprietorship:
Statutory requirement is registration of a business name under Part B of the Companies and Allied Matters Acts (CAMA).
2. Partnership:
A business in which the partners are joint owners of the partnership property and are personally liable jointly and severally for the debts and obligations of the firm.
3. Private Limited Company:

The name of the company must end with Limited. It is limited by shares or by guarantee and has a minimum of 2 (two) and a maximum of 50 (fifty) shareholders.

4. Public Limited Company:

The Public Limited Company has no restriction on the maximum numbers of member but must have a minimum of two (2) members. There is no restriction on the transfer of shares and the public may be invited to subscribe for shares. It becomes publicly quoted once listed on the stock exchange.

All business enterprises, whether local or foreign must be registered with the Corporate Affairs Commission, and must comply with the internal regulations applicable to each particular classification of business. The law governing the formation and regulation of business enterprises in Nigeria is the Companies and Allied Matters Act, 2004 ("CAMA"), and under this law is the Corporate Affairs Commission, is the body responsible for the registration and regulation of companies.

Registration of companies in Nigeria covers preparation, stamping and filing of relevant incorporation documents with the Corporate Affairs Commission (CAC).

The first step to registering a company is first establishing the respective shareholdings in the proposed company, the name, initial authorized share capital and main objects of the company. After this initial step, two names for the company in order of priority are submitted to the Corporate Affairs Commission in order that a search of the availability of that name is made. Once approved, the name is reserved and registration process can be undertaken.

Registration Procedure

An application for incorporation is made to the Registrar-General of the CAC. Prior to the application being made, submitting a written application to the CAC, and paying a prescribed fee may reserve the name of the proposed company. Subsequently, the application to the Registrar-General is submitted in the prescribed form along with the following documents:

- Three copies of duly stamped Memorandum and Articles of Association of the Company (which must be subscribed to by at least two persons, together holding at least 25% of the company's authorized share capital together with evidence of payment of stamp duty).
- Form CAC 1 (Reservation and Availability of Name).
- Form CAC 2: A statement of the authorized share capital of the company together with evidence that the stamp duty payable in respect of the amount of share capital has been paid.

- Form CAC 3: A notice of the situation of the registered office of the company.
- Form CAC 4: A declaration, sworn to by a Legal practitioner that all matters preliminary to the registration of the company have been complied with. Stamp duty and filing fees are payable to the Federal Commissioner for Stamp Duties and the Registrar - General of Companies respectively. If the application is approved, a Certificate of Incorporation will be issued and the company can commence business subject to its having obtained the necessary investment approvals.
- Form CAC 7: A statement of the particulars of the initial directors of the company, of which there must be at least two.

Stamp duty and filing fees are payable to the Federal Commissioner for Stamp Duties and the Registrar - General of Companies respectively. If the application is approved, a Certificate of Incorporation will be issued and the company can commence business subject to its having obtained the necessary investment approvals.

Registering a Business Name: Do It Yourself!

A registered business name is a very important business asset; hence there is a trademark protection to the business at both the state and federal level. No other person will be allowed to use that business name for any commercial transaction without the owner's direct or indirect consent.

- **Choose your business name:**
Exercise care in the choice of your business name, which does not necessarily have to be directly related to the products and services you intend to offer. Remember that Apple Inc., the world leader in smart phones and personal computers, has never sold any fruits of the botanical kind!
- **Go to Any Corporate Affairs Commission (CAC) office:**
At the CAC, you will be given a business name search form. This form is used to search for business name availability. Fill in the form appropriately and submit it. This form acts as an application for business name registration and should clearly state the business name that you intend to register. Filing fees at the Corporate Affairs Commission is N500 (which is subject to change CAC dependent).
- **Visit the Corporate Affairs Commission (CAC) after some days:**
 - If the proposed business name is available,
 - Collect another form called Registration of Business Name (CAC Form 001),
 - Fill it and pay the registration fee, which is N10, 000 (subject to change at the pleasure of CAC).
 - Upon payment of the registration fee, an affidavit/attestation form is

collected and endorsement at a magistrate court secured with N250 only as court fees.

(Should the business name of your choice not be available, start all over again with a new business name).

➤ **Collect your business name certificate of registration.**

You are done with business name registration in Nigeria.

You may later think of incorporating your company to either limited liability one (Ltd.), or PLC (Public Liability Company). This is usually done with the assistance of a Lawyer, a chartered secretary or a chartered accountant on your behalf.

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