

INCORPORATING A COMPANY IN NIGERA

Since Nigeria's return to democracy about 11 years ago, the country has witnessed a huge growth in its business active several companies are springing up by the day a lot of people have one business plan or the other.

Because of this huge growth in business actives, it has become important to give an insight into what it entails in the incorporation of companies in Nigeria.

What are the laws governing incorporation of a company in Nigeria?

There are several laws governing incorporation of a company in Nigeria below are some of them

- ❖ Companies and Allied Matters Act: This is the primary law governing incorporation of company in Nigeria. The law establishes the Corporate Affairs Commission, the body responsible for the registration of companies in Nigeria.
- ❖ Investment and securities Act: this act deals with shares generally, it also deals with the procedure for mergers, acquisitions, and takeovers. The act also established the Securities and Exchange Commission which is the watch dog of securities in Nigeria and the Investment and securities tribunal which is the court with jurisdiction when there is dispute over securities matters in Nigeria.
- ❖ Nigerian Investment and Promotion Commission Act: This act was specifically passed for foreigners who want to invest in Nigeria. The Act protects the investment of foreigners in Nigeria; it also established the Nigerian Investment and Promotion Commission which is the body set up by the Federal Government to 'market' the investment potentials of Nigeria.

- ❖ The Immigration Act: This Act deals with the necessary permit a potential foreign investor needs before incorporating a company in Nigeria

The laws stated above, do not represent all the laws dealing with the incorporation of companies in Nigeria, but the major laws. there are some other laws which deals with specific industries like the Central Bank Act and the Banking and other Financial Institutions Act which deals with establishing a Bank in Nigeria, the Insurance Act which deals setting up an Insurance Business in Nigeria to mention but a few.

What kind of company can be incorporated in Nigeria?

Under Nigerian law, a Nigerian is free to set up any company he wants provided, that such business is legal. Foreigners are also allowed to set up any kind of legitimate business however, a foreigner cannot be allowed to set up a business dealing with arms and ammunitions, drugs and any other business in the prohibited list.

Who can incorporate a company in Nigeria?

Any person can incorporate a company in Nigeria, provided that the person is not

- below the age of 18 years;
- of unsound mind;
- an un discharged bankrupt
- disqualified to hold a position as a director of a company;
- a company in liquidation.

An Alien, can also join in the formation of a company, provided that the alien has complied with the provision of the Immigration Act and the Nigerian Investment and Promotion Commission Act.

What is the role of a Solicitor in the incorporation of a company in Nigeria?

In Nigeria, the Solicitor plays a key role in the incorporation of a company. The Corporate Affairs Commission, the body set up by the Federal Government to carry out the business of incorporation of companies in Nigeria, admits only Accountants and Lawyers to handle Companies matters. While the role of the accountants is limited to the financial aspects of the company, the role of the solicitor covers the legal aspect.

With specific regards to incorporation, the role of the solicitors ranges from preparation of the memorandum of Association and the articles of association, to filing of the incorporation documents. Another important role of the solicitors in the incorporation of companies in Nigeria is that the solicitor must fill what is referred to as 'Statutory Declaration of Compliance'.

What is the procedure for incorporation of a company in Nigeria?

The procedure for the incorporation of a company in Nigeria, are as follows:

- Purchase search and availability form fill and submit
- Prepare memorandum and articles of association
- Fill incorporation forms
- Stamp memorandum of association and articles of association at the Federal Inland Revenue Service office
- Submit incorporation forms together with 2 copies of the memorandum and articles of association at the Corporate Affairs Commission's office
- Collect your Certificate of incorporation

When you decide to incorporate a company in Nigeria please do not hesitate to let us no.