

Establishing your own business in Nigeria⁷

- ✓ Incorporate Local Company
- ✓ Register with Tax Authorities and Obtain First Tax Clearance Certificate
- ✓ Open Corporate Bank Account/s in the name of the Local Company and obtain a Certificate of Capital Importation from the Bank in respect of any imported capital sum
- ✓ Apply for Business Permit and Expatriate Quota
- ✓ Obtain Residence Permits for Expatriate Staff
- ✓ Register with Appropriate Regulatory Authorities Relevant to the Company's Business (such as NCC, DPR, NAFDAC, etc.)
- ✓ Secure Office Space/ residential accommodation for Expatriate Staff

At the end of the first financial year, the company would be required to file Tax and Annual Returns. In addition, the Company would be required to appoint External Auditors and a Company Secretary.

Permits required for foreign companies

- ✓ Register the company for incorporation with the Nigerian Registrar-General of the CAC.
- ✓ Business Permit; foreign companies must obtain a business permit from the Federal Ministry of Interior (FMI) before they can commence business in Nigeria.
- ✓ Register with Nigerian Investments Promotion Commission (NIPC) if their capital structure has a foreign participation.



A mockup of a church. Laos

Conclusion

Nigeria has the largest road network in West Africa and the second largest in sub-Saharan Africa, with over 200,000 kilometers (12,427) of Federal, State, local and rural roads. Less than 30% of roads are paved and all lack regular maintenance. Starting in 2013, Nigerian federal, state and local governments plan to focus on repairs and reconstruction of roads, building homes for Nigeria's growing populace, and beginning construction work on new towns and free trade zones.

Construction companies should plan to participate in the vast construction of new homes, towns, air and sea ports and repair/reconstruction of roads and other infrastructures in several states of Nigeria.

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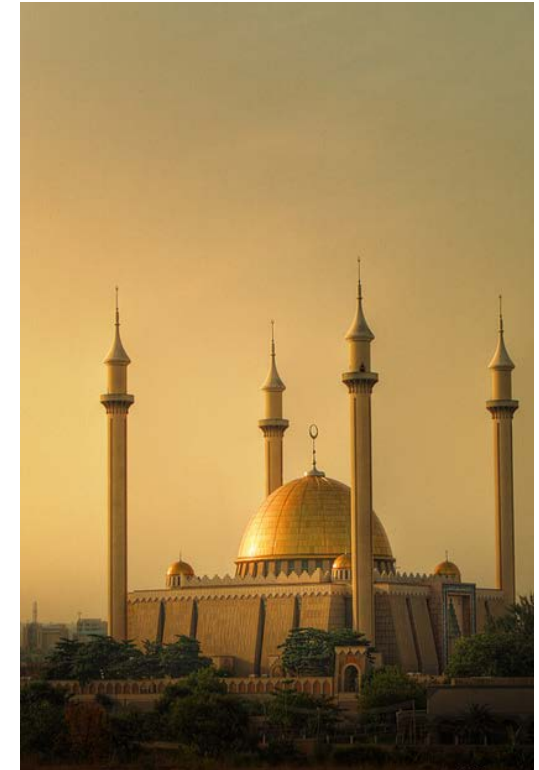
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Abuja National Mosque, Abuja

ARCHITECTURE & BUSINESS IN NIGERIA



U.S. Department of Commerce



A mockup of the World Trade Center Abuja, Abuja

Why Nigeria?

It is important for Africa and the world that Nigeria's economy grows. Reasons abound in favor of a decision to invest in Nigeria. Besides her huge oil and gas deposits, Nigeria has abundant deposits of other natural resources which include but are not limited to bitumen, limestone, coal, iron ore, lead and zinc. Most of these resources are largely unexploited¹.

The Nigerian market is also quite large. With a population of over 160,000,000 persons, Nigeria is undoubtedly the largest market for virtually all products in Africa. Further, Nigeria is largely a free market. The Government of Nigeria is gradually taking its hands off several sectors of the economy and there have been very serious talks about deregulating most sectors of the economy including the power and oil and gas sectors. The various incentives that have been put in place to encourage investments are also reasons to consider and make investments in Nigeria¹.

Key Legal Issues²

1. Local Incorporation
2. Registration and Permits
3. Foreign Exchange Rules
4. Expropriation and Nationalization
5. Bilateral Investment Treaties

Regulations:

Banking: Regulation of banks in Nigeria is largely the remit of the CBN, which is saddled with the responsibility of promoting a sound financial system in Nigeria. The CBN serves in dual capacity, that is: as a central bank with responsibility for ensuring monetary stability and lender of "last resort"; and secondly, the role of a regulator.

Re-Patriation of funds: Generally, there are no restrictions on currency convertibility and repatriation. Under the current Nigerian regulatory framework, however, a foreign investor wishing to remit dividends and profits must invest into Nigeria through an Authorized Dealer and obtain a Certificate of Capital Importation (CCI) as evidence of such importation³.

Corporate Income Tax: There are several different categories of taxes that are levied on businesses and equity - holders by the Nigerian Government. The corporate income tax is at 30% of the profits made. Nigeria also charges Education Tax at 2% of profits; Withholding Tax between 5% and 10% of profits; Stamp Duties on legal documents; Capital Gains Tax on amounts received or brought to the country; and Value Added Tax (VAT) charged flat at 5% of invoiced goods and services⁴.

Real Estate: Any company incorporated in Nigeria is allowed to have access to land rights for the purpose of its activity in any state in the country. All industrial companies comply with regulations of the use of land Act for industrial purposes and with environmental regulations. Land lease is usually for a term of 99 years unless requested a shorter duration.

Leading local Accounting companies: 1. KPMG, 2. EY, 3. Crowe Horwath, 4. PwC, 5. Deloitte

Leading Law Firms: 1. Banwo and Ighodalo 2. Punuka Law Firms, 3. Matrix Solicitors 4. Consolox Legal Practitioners

Labor Laws and Management of Workers⁵:

A potential foreign investor acquiring a company as a going concern or establishing a company as a new business will undoubtedly have recourse to the labor laws in Nigeria. Matters concerning the employment of workers are governed by the Labor Act of 1990. The Industrial Arbitration panel which was established in 1976 settles trade disputes between employers and employees as well as Inter and Intra Trade Union disputes.

Strategic Alliances⁶: Since 2010, the Nigerian Content Act legislation requires foreign companies to demonstrate how value to the required level will be added to the Nigerian economy in their product and service offerings. To meet those legal obligations, they are partnering with competent local companies who are adding value at various stages in the product value chain - in engineering, manufacturing, assembly, in-service support, logistics, etc. Those foreign companies understand the need to integrate appropriate levels of Nigerian content in order for their bids to be considered. Failure to meet acceptable levels results in bid disqualification by the Nigerian Content Development and Monitoring Board (NCDMB).



National Bank, Abuja