

Legal requirements for starting a business in Nigeria

VIEWS 82

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In Nigeria, like in every civilized country, there are some legal requirements for starting different types of businesses. You are required to fulfill all these requirements if you want to be an entrepreneur. Let us provide you with a brief legal guide for starting a business in Nigeria.



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What are the main legal requirements for starting a business in Nigeria?

The main law that determines the factors of starting your own company in Nigeria is the Company and Allied Matters Act (CAMA). This act contains a lot of articles about the legal support of business in the country. For example, it explains the types of business structures. In Nigeria, you can open these types of companies:

1. Registered business name.
2. Unlimited company.
3. Company limited by shares.
4. Company limited by guarantee.
5. Incorporated trustees.



Let us provide a quick guide for the company types listed above. At first sight, they are quite simple:

1. Your company must have between 2 to 59 members.
Keep in mind that this rule doesn't refer to such type of company, as the registered business name, where you are always the only member.
2. The founders of the company must be over 18.
3. Also, all of the members must be of sound mind and good financial state (no bankrupt).
4. Minimum capital of the company limited by shares must not be less than N10,000.



If you want to register your company, you must submit some documents to the CAMA representative. They include:

1. Articles of Association and Memorandum.
2. Notification about the registered address of the company.
3. List of the directors, information about them and their written consents.
4. Statement of compliance, signed by a legal practitioner.

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If the documents are complete and accurate, the company will be given a Certificate of Incorporation. Keep in mind that the Nigerian law says that only accredited individuals or partners can register incorporated companies.



Other legal requirements for opening business in Nigeria

The list of requirement for entrepreneurs is much more than what was mentioned in the Company and Allied Matters Act. There are a few things to consider after creating your own business in Nigeria.

1. Duty to pay taxes.
2. Duty to provide insurance.

3. Registration your intellectual rights (if your business connected is with them).
4. Requirements pertaining to labor.



Each of these points (except registration of intellectual rights, because it's optional), are needed to open company limited by shares. The type of tax you will pay will depend on the type of business activity your company is engaged in. The same thing goes for the type of insurance.

However, there are a lot of things you need to do before you will be obligated to pay taxes or to provide insurance. Keep in mind that the success of any company is based on a strict business plan. So, make sure you begin your research before following these processes. We hope this information was useful for you.

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