

## ESTABLISHING A BUSINESS WITH FOREIGN SHAREHOLDING IN NIGERIA

1. Register the business with the Corporate Affairs Commission ([CAC](#)) – *(details of the information required are included in our [instruction form](#))*  
In order to facilitate the process of registration, we recommend that we be granted a [Power of Attorney](#) to enable us execute the incorporation, statutory and other incidental documents pending the grant of a Business permit by the Authorities.
2. Register the business with the Federal Inland Revenue Service ([FIRS](#)) and acquire business premises.
3. Apply to Nigerian Investment Promotion Commission ([NIPC](#)) for a [Business permit](#), [Expatriate quota](#), [Pioneer Status](#) and other incentives (where applicable)
4. Import Capital i.e. foreign equity.
5. Obtain Work permit and Residence permit for expatriate(s).

### **Business Permit requirements**

An applicant for Business Permit must:

- (i) Complete NIPC Form 1 and attach the original receipt for the purchase of the form;
- (ii) Produce Certificate of Incorporation of the Company
- (iii) Have a minimum share capital of N5 million
- (iv) Disclose details of shareholding in the Joint Venture;
- (v) Produce Company's current Tax Clearance Certificate
- (vi) Produce Joint Venture/Partnership Agreement where applicable
- (vii) Produce Memorandum and Articles of Association;
- (viii) Produce CAC's Forms CAC 2.3 and 2.5 duly certified;
- (ix) Show evidence of capital importation for wholly foreign companies.

### **Expatriate Quota requirements**

The requirements for the grant of expatriate quota are

- (i) Completed NIPC Form 1 with Original receipt for the purchase of the Form;
- (ii) Certificate of Incorporation of the Company

- (iii) The Company in which the expatriate will work must have a minimum share capital of N5 million
  - a. To enjoy two (2) automatic Expatriate quota positions, the share capital of the company should not be below N15, 000,000 (Fifteen Million Naira);
  - b. A company will be entitled to four (4) automatic Expatriate quota positions if its share capital is N30, 000,000 (Thirty Million Naira) and above.
- (iv) Details of shareholding in the Joint Venture must be disclosed
- (v) Company's current Tax Clearance Certificate
- (vi) A copy of the Joint Venture/Partnership Agreement where applicable
- (vii) Memorandum and Articles of Association;
- (viii) CAC's Forms CAC 2.3 and 2.5 duly certified;
- (ix) A company applying for Expatriate quota should show evidence of acquisition of operational premises and operational machinery/equipment in the case of an industrial establishment;
- (xi) Evidence of foreign capital importation;
- (xii) A company applying for Expatriate quota Positions in the case of provision of services should produce Management and Technical Services Agreement;
- (xiii) Companies applying for Permanent Until Reviewed (PUR) quota slots must show evidence of payment of tax for minimum of N1,000,000 (One million Naira);
- (xiv) A company would be considered for Expatriate quota only where the type of personnel required is not likely to be available in Nigeria or where available not in sufficient number.
- (xv) The Company must in all cases supply the names, addresses, qualifications and positions to be occupied by the expatriate (i.e. Details of quota positions desired).
- (xvi) The Company must also produce its project implementation programme;
- (xvii) The company must produce a Training Programme for Nigerians in addition to Management Succession Schedule;
- (xviii) The Company will furnish its Feasibility Report where applicable especially for new and pioneer industries.