

REGULATORY UPDATE

Corporate Affairs Commission Issues New Schedule of Fees

The Corporate Affairs Commission (the “**CAC**”) has issued a new schedule of fees (the “**Revised Schedule**”), superseding the previous regime that governed the cost of incorporation, registration, post-incorporation filings, and related services. This revision marks significant adjustments to statutory charges across all entity types regulated by the CAC.

The Revised Schedule are to take effect from 01 August 2025.

Key Highlights of the Revised Schedule

1. Incorporation of Entities

One notable reform under the Revised Schedule pertains to the statutory charges for incorporating entities in Nigeria. For private companies with a share capital of N1,000,000 (One Million Naira) or less, the statutory charge remains unchanged at N10,000 (Ten Thousand Naira). However, the Revised Schedule introduces a flat rate of N10,000 (Ten Thousand Naira) for every additional N1,000,000 (One Million Naira) share capital, regardless of the total share capital or the size of the company.

This represents a significant departure from the prior regime, where charges for private companies with a share capital exceeding N1,000,000 (One Million Naira) ranged between N5,000 (Five Thousand Naira) and N10,000 (Ten Thousand Naira) per additional N1,000,000 (One Million Naira), depending on the total share capital of the company.

For public companies, similar adjustments apply under the Revised Schedule, ensuring consistency across the incorporation process for different corporate structures.

As it pertains to other registrable entities, such as companies limited by guarantee, limited liability partnership, limited partnerships, and incorporated trustees, the Revised Schedule records an increase in the statutory charge only, without more.

Additionally, other registrable entities such as companies limited by guarantee, limited liability partnerships, limited partnerships, and incorporated trustees also face an increase in statutory charges, without more.

2. Annual Returns

Every incorporated or registered entity conducting business in Nigeria is mandated under the Companies and Allied Matters Act, 2020 (the “**CAMA 2020**”) to deliver to the CAC an annual return in the prescribed form. Prior to the Revised Schedule, the statutory charge for filing annual returns for companies with a share capital, was fixed, irrespective of the total share capital of the company.

However, under the Revised Schedule, the statutory charge has been structured into a tiered system, according to the share capital of the company. Presently, the statutory charge payable for a total share capital:

- from N100,000 to N100,000,000 is N5,000;
- above N100,000,000 and up to N500,000,000 is N100,000;
- above N500,000,000 and up to N1,000,000,000 is N150,000; and
- above N1,000,000,000 is N200,000.

3. Penalties

The Revised Schedule introduces a specific section addressing penalties for failing to file annual returns by entities registered or incorporated in Nigeria. Notably, the penalties for companies, limited liability partnerships, and limited partnerships extend beyond the entity itself to include each director or officer. In contrast, the penalties for business names and incorporated trustees are assessed solely against the entity. This approach aligns with the provisions of the CAMA 2020.

Interestingly, the Revised Schedule departs from the general trend of increased fees or retained service charges. In this instance, it reduces the daily default penalties for infractions unrelated to annual returns.

With the revision of the service fees, entities are advised to anticipate and budget for higher statutory charges, as well as take advantage of early filings to avoid escalated penalties and exposures to officers of these entities, where applicable.

At Famsville, we remain committed to providing timely insights into legal and regulatory reforms that impact commerce, investment, and governance across Africa. If you have questions about how the revised service fees affect your business or operations, please contact us at info@famsvillelaw.com or pamilerin.akabunwa@famsvillelaw.com.

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