

CHOICE AND FORMATION OF BUSINESS ORGANISATIONS



ONYEKACHI DURU ESQ

Corporate Law practice evolves from company law & commercial practice and encompasses transactional and litigation issues relating to the legal regime governing establishment, ownership, operation, management, restructure and dissolution as well as general regulation of business and non business organizations.

LEGAL
LEGAL EMPERORS

www.legalemperors.com
.ng

+234-8022148248

legalemperors@gmail.com

9/1/2015

Overview of Corporate Law Practice

Corporate Law practice evolves from company law & commercial practice and encompasses transactional and litigation issues relating to the legal regime governing establishment, ownership, operation, management, restructure and dissolution as well as general regulation of business and non business organizations.

Relevant Regulatory Agencies and Institutions Regulating Corporate Law Practice

- Corporate Affairs Commission
- Securities and Exchange Commission
- Nigerian Investment Promotion Commission
- National Office for Technology Acquisition and Promotion
- Abuja Securities and Commodities Exchange
- Nigerian Stock Exchange
- Bureau of Public Enterprises
- National Council of Privatization
- Bureau of Public Procurement
- Central Bank of Nigeria
- Asset Management Corporation of Nigeria
- Federal Inland Revenue Service

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- Nigerian Communications Commission
- National Agency for Food and Drugs Administration
- Nigerian Copyright Commission
- Federal High Court
- Investments and Securities Tribunal
- National Industrial Court
- Nigerian Customs Service
- Nigerian Immigrations Service
- Debt Management Office
- Commercial Law Department, Federal Ministry of Trade, Investment and Industry.

CHOICE OF BUSINESS ORGANISATIONS AND FORMATION (1)

1. Types, Features and Suitability of Business Organisations that can be Registered

There are 3 types of business organization that can be registered under Nigerian law viz;

- (a) Sole Proprietorship
- (b) Partnership and
- (c) Incorporated Companies

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

Discussion on the first two is deferred to the next class. For now our efforts will be focused on Incorporated Companies..

Incorporated Companies

Incorporated companies are also referred to as registered companies. They are the most widely used business organisations. In fact, they are formed for business and are thus profit oriented. Upon incorporation, a company obtains a separate legal personality and can operate independent of the member, who may even become employees or contractors of the company. They have legal personality, that is, they can sue and be sued because they are legal entities distinct and separate from the persons which constitute them upon registration.

By virtue of **section 21(1) of the CAMA**, a registered or incorporated company may be:

- i. Company limited by shares

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- ii. Company limited by guarantee (Not a business organisation)
- iii. Unlimited company

By **subsection (2)** thereof, any of the above companies may be a **private** or **public company**.

Features of a Company Limited by Shares

This type of company has the liability of the members limited to any amount remaining unpaid on a share held by a member. It may either be a private or a public company limited by shares.

Features of an Unlimited Company

This is the opposite of a company limited by shares. It is a company which has no limit on the liability of its members. The argument has been made that an unlimited company cannot be a public company, as the public cannot be exposed to unlimited liability by subscription to shares of an unlimited company; hence unlimited companies are

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

prohibited from re-registering as public company. The following are the basic features:

- i. The memorandum and articles of the company will provide for unlimited liability of its members;
- ii. The members answer to all the claims against the company especially at winding up;
- iii. Although it enjoys separate legal personality, its members are like partners in respect of liability of each member. Thus, members share the liabilities incurred by the company.
- iv. The company must have a share capital.

Features of a Private Company Limited by Shares

The essential features of a private company limited by shares are:

- i. A private company is one which is stated in its memorandum and articles of association to be a private company - **section 22(1) of CAMA**.
- ii. It must by its articles **restrict** the transfer of its shares - **section 22(2) of CAMA**

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- iii. It must have a minimum of two members; but its total membership must not exceed fifty (50), not including persons who are *bona fide* in the employment of the company - **section 22(3) of CAMA.**
- iv. It is prohibited from offering its shares and debentures to the general public.
- v. With exception to private companies in banking business, a private company is prohibited from inviting the public to deposit money for fixed periods or payable at all whether or not bearing interest.
- vi. It must have a minimum authorized share capital of ~~N~~10,000
- vii. The name of a private company must end with the word 'Limited' or 'Ltd'
- viii. It has no restriction for the appointment of a director who is above 70 years of age.
- ix. It need not have a company secretary with certain professional qualification and experience.

Features of a Public Company Limited by Shares

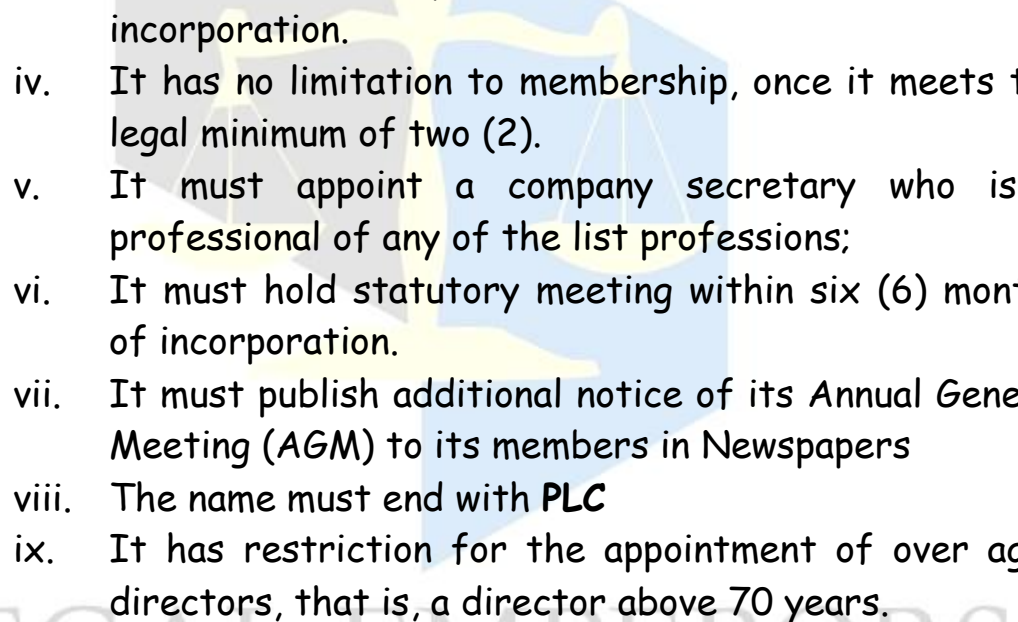
The essential features of a public company limited by shares are:

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- 
- i. There is no restriction of transfer of its shares.
 - ii. It can offer its shares and debentures to the public, thus it can easily access funds from the capital market;
 - iii. The minimum value of the authorised share capital of this type of company is ~~N~~**500,000** with at least 25% of the share capital allotted to its members at incorporation.
 - iv. It has no limitation to membership, once it meets the legal minimum of two (2).
 - v. It must appoint a company secretary who is a professional of any of the list professions;
 - vi. It must hold statutory meeting within six (6) months of incorporation.
 - vii. It must publish additional notice of its Annual General Meeting (AGM) to its members in Newspapers
 - viii. The name must end with **PLC**
 - ix. It has restriction for the appointment of over aged directors, that is, a director above 70 years.

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

Suitability of a Company Limited by Shares

This is captured in our discussions on the suitability of a private and public company limited by shares.

Suitability of an Unlimited Company

An unlimited company is suitable for any of the following purposes;

- i. It is suitable for professional service company where integrity coupled with skill and competencies are the core values;
- ii. It is suitable for enlarged partnership which is getting beyond the legal maximum of the number of membership;
- iii. It may be imposed by law ensure probity in the management of public funds;
- iv. It is suitable where contributed funds are to be managed by the company expected to exhibit due honesty,
- v. It may be a choice when integrity and honesty are core values of the shareholders of the company.

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

Suitability of a Private Company Limited by Shares

The features of the private company limited by shares provide a good guide to determining its suitability in making choice of business organizations. It is most suitable and recommended in the following circumstances:

- i. Where small and medium sized business organization needs to acquire incorporated status;
- ii. Where family members and or friends want to engage in business activities expected to have long duration, and enjoy incorporated status
- iii. Where the capital available for start off business is relatively small.

Suitability of a Public Company Limited by Shares

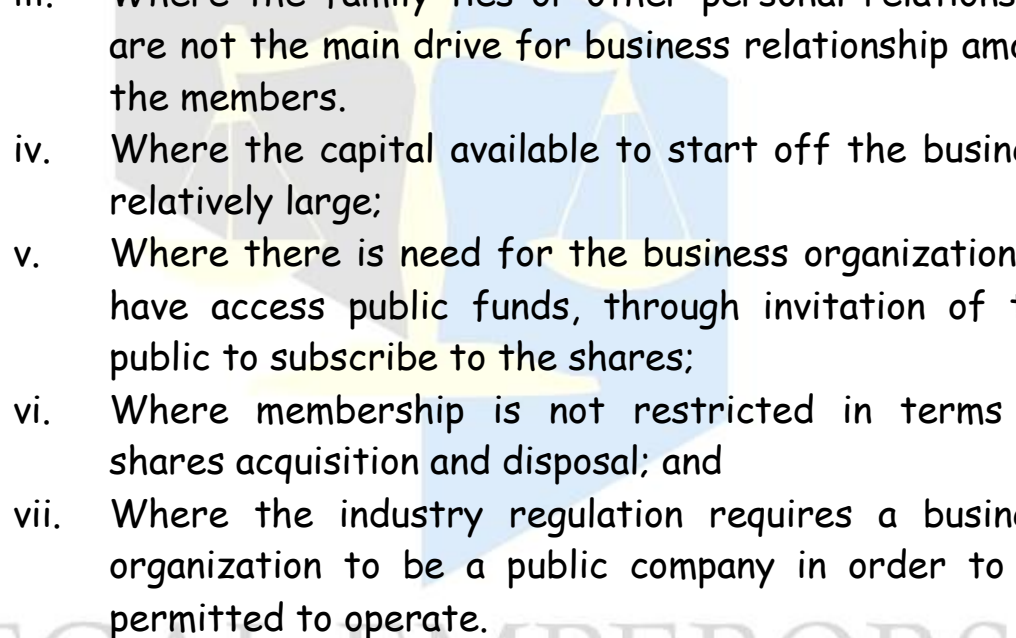
The essential features of the public company limited by shares provide a good guide to determining its suitability in making choice of business organizations to form. It is most suitable and recommended in the following circumstances:

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- 
- i. Where medium or large sized business organization needs to acquire incorporation status;
 - ii. Where a small or medium sized business organization is envisaged to be expanded into large scale business organization and the subscribers would not want a conversion and re-registration whenever the envisaged large scale business activities are achieved;
 - iii. Where the family ties or other personal relationship are not the main drive for business relationship among the members.
 - iv. Where the capital available to start off the business relatively large;
 - v. Where there is need for the business organization to have access public funds, through invitation of the public to subscribe to the shares;
 - vi. Where membership is not restricted in terms of shares acquisition and disposal; and
 - vii. Where the industry regulation requires a business organization to be a public company in order to be permitted to operate.

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

Factors to be Considered in Choosing the Type of Company to Establish

In addition to the key features and suitability of a particular type of business organization, several other factors also impact on the decision to register any of the business organizations. Some of these factors are:

- a. Cost of registration and expenses
- b. Speed of processing and completion of registration
- c. Documentation and legal compliances
- d. Post-registration compliances and regulatory supervision
- e. Sphere/extent of operation
- f. The number of the membership. For **Ltd.** it is 50 while in a **PLC** it is unlimited.
- g. The size and nature of the proposed business.
- h. The cost/capital intensity of the business. For **Ltd** it must have a minimum authorised share capital of **₦10,000** while that of a **PLC** is **₦500,000**. Please Note that a company's asset is different from the share capital of the company. Shares give a member

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

participating right to the affairs of the company and a right to dividend.

- i. Proposed date of incorporation
- j. Restrictions on the issue and transfer of shares. In **Ltd** that right is restricted; but this is not so with a **Plc**. S. 22(2) of **CAMA**.
- k. The formalities to be complied with depending on the type of company incorporated like holding of statutory meetings, filling full or abridged statement of finance, etc.

2. Documents Required to be Submitted for the Incorporation of Companies at the Corporate Affairs Commission.

By **Section 35(2) of CAMA**, the following documents must be submitted to **CAC** for the incorporation of all companies limited by shares be it Private (**Ltd**); Public (**Plc**) or Unlimited (**Ultd**).

(i) Statutory Forms

- (A) FORM CAC 1 - Availability Check and Reservation of Name (note that re-validation of a reserved name is within 60 days of reservation).

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- (B) FORM CAC 2 - Statement of Share Capital and Return of Allotment of Shares (duly stamped) at the stamp duties office (FIRS).
- (C) FORM CAC 3 - Notice of Registered Office Address (physical address where the company can receive notices and be served court processes).
- (D) FORM CAC 4 - Declaration of Compliance with Requirements of CAMA (duly sworn by a legal practitioner before a commissioner for oaths).
- (E) FORM CAC 2.1 - Particulars of Secretary of the Company (if a company is appointing secretary at the incorporation stage).
- (F) FORM CAC 7 - Particulars of First Directors

(ii) Other Documents:

These include:

- a. **Valuation Report** (applicable in cases where the company shares are paid for in consideration other than cash),
- b. **Joint Venture Agreements** (applicable where there is foreign participation),

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalemperors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excerpts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalemperors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalemperors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalemperors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- c. **Business/ Work Permit**, (also applicable where there is foreign participation).
- d. **Memorandum and Articles of Association** (2 printed copies, signed and duly stamped at the stamp duties office of the Federal Inland Revenue Service (FIRS)).
- e. **Original receipts** of payment of registration fee, stamp duties and compliance oath.
- f. **Any other document** required by any other law/regulation, such as Companies Regulation 2012.

These include:

- (i) a qualifying certificate of the relevant management staff (Director) issued by the relevant regulatory body of the profession or
- (ii) permit/licence to operate issued by the relevant regulatory agency.

These requirements are applicable to companies with **object** or **name** dealing with specified and regulated business areas. For instance, to register a pharmaceutical company, a registered pharmacist must

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

be a Director and he should provide his license issued by the Pharmaceutical Society of Nigeria (PSN).

Also, an Engineering Company must have a Director with a Council for Regulation of Engineering in Nigeria (COREN) practice license. A company that wants to engage in banking business must obtain banking license from the CBN.

Take notice that the requirement of document/certificate evidencing proficiency is also required for formation of business name or incorporated trustee which is involved in specialized business/object. For instance, the registration of law firm as a Business Name requires evidence of Call to the Nigerian Bar; while a non-business organization dealing on health care issues is required to have a Doctor as Trustee, such as Nigerian Institute of Stress and National Action Committee on Aids.

3. Documents Required for Stamping

Please note that, it is **Two (2)** copies of the **Memorandum and Articles of Association** and **Two (2)** copies of **Form CAC 2**

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

(Statement of Share Capital and Return of Allotment) that is submitted for stamping.

For the **Memorandum and Articles of Association**, stamping fee/duty is ~~N~~500 naira for a copy of the two documents.

For **Form CAC 2 (Statement of Share Capital and Return of Allotment)**, the stamp duty is calculated at 0.75% of the total share capital. That is 1.50k for every N200 naira; on the share capital and N7500 naira for every 1 million in the share capital.

Mathematically, calculation of stamp duty for **Form CAC 2 (Statement of Share Capital and Return of Allotment)**, can be represented thus;

Calculation of Stamp Duty: ~~N~~7500 for every 1,000,000

$$= \frac{\text{amount of Authorized Share Capital}}{1,000,000} \times \frac{7500}{1}$$

LEGAL EMPERORS

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

4. Taking Instructions for the Preparation of Documents and Registration of Companies at Corporate Affairs Commission

Taking Instructions for the Incorporation of Companies

For Incorporation of Companies, take instructions relating to the following;

- Clients personal details (name, address, nationality, occupation & age)
- Date of commencement of business
- Date of completion of registration
- Name of company in the alternative
- Type of company (public or private, limited or unlimited)
- Sphere of operation (any office abroad)
- Objects or business of the company
- Registered office and branch office (if any)
- Share capital (issued & unissued percentage)
- Directors particulars, (name, address, age, nationality, occupation)
- Alien participation and expatriate employees.
- Subscribers (membership) and pre-emptive rights

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- Shares (types of shares) and their issue.
- Tax clearance and taxes generally.
- Secretary (qualification, appointment and removal)
- Restriction on transfer of shares
- Mode of payment for shares (valuation report)
- Meetings and resolutions
- Borrowing powers and bankers
- Control and management and formation agreements

5. Regulation of Choice of Corporate Name

We have a view to regulating choice of corporate names; there are basically three guiding considerations before an approval of a corporate name can be made by the Corporate Affairs Commission. These are:

- (a) **Conflicting Names:** These are already registered corporate names, business names or trademarks, which cannot be released without the consent of the owner.
- (b) **Restricted Names:** These are names to be used subject to consent of the Corporate Affairs Commission or solely reserved for a particular type of

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excerpts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

company - example "Chamber of Commerce" reserved for companies limited by guarantee.

- (c) **Prohibited Names:** These are names that cannot be approved because of their illegal/offensive/deceptive nature, as disclosed in the proposed name or objects.

Again, the law makes provisions for **prohibited names** and **restricted names**. The restricted name can be registered but there must be consent of Corporate Affairs Commission duly obtained. For those requiring consent, the practice is that, evidence of initial consent is usually required by the Corporate Affairs Commission before it issues its final consent to register the company/organization.

Section 30(1) of CAMA makes provision for **prohibited names**. By that section, no company shall be registered by a name which:

- a. Is identical with that by which a company in existence is already registered, or so nearly resembles that name as to be calculated to deceive, except where the company in existence is in the course of being dissolved and signifies its consent in such a manner as the commission requires;

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excerpts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- b. Contains the words "Chamber of Commerce" unless it is a company limited by guarantee;
- c. Which in the opinion of the Commission is capable of misleading as to the nature or extent of its activities or is undesirable, offensive or otherwise contrary to public policy; or
- d. Which in the opinion of the Commission would violate any existing trade mark or business name registered in Nigeria; unless the consent of the owner of the business name or trade mark has been obtained.

Conversely, **section 30(2)** of the CAMA makes provision for **restricted names**. The provision states that except with the consent of the Commission, no company shall be registered by a name which

- (a) Includes the word "Federal", "National", "Regional", "State", "Government" or any other word which in the opinion of the Commission suggests or is calculated to suggest that it enjoys the patronage of the Government of the Federation or the Government of a State in Nigeria, as the case may be, or any Ministry or Department of Government; or

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer

- (b) Contains the word "Municipal" or "Chartered" or in the opinion of the commission suggests, or is calculated to suggest, connection with any municipality or other local authority; or
- (c) Contains the word "co-operative" or the words "building society"; or
- (d) Contains the word "group" or "holding".

Another issue is the issue of **reservation of name**. Where the name is available, it will be reserved for a period of **60 days** to enable the applicant file the incorporation documents - **Section 32(1) and (2) of CAMA**.

LEGAL EMPERORS

LEGAL EMPERORS |© Onyekachi Duru

Esq and www.legalempereors.com.ng (All Rights Reserved). Unauthorized use and/or duplication of this publication without express and written permission from this site's author and/or owner is strictly prohibited. Excepts and links may be used, provided that full and clear credit is given to Onyekachi Duru Esq and www.legalempereors.com.ng with appropriate and specific directions to the original content.

The document you have just read and indeed all other posts emanating from <http://www.legalempereors.com.ng> contains general legal information and does not contain legal advice. <http://www.legalempereors.com.ng> is not a law firm or a substitute for a lawyer or law firm. The law is complex and changes often.

For Legal Advice, Please Ask a Lawyer