

Guide to Beneficial Ownership Information: Legal Entities and Legal Arrangements

The purpose of this country-specific guide is to provide assistance to investigators on the type of information that is available on the natural persons who control legal persons and arrangements, such as companies and trusts, or otherwise play an important role in a legal person and arrangement in **Nigeria**, and the conditions that need to be met to be able to access such information. For ease of reference, the Contents of the guide are listed below.

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I. Definitions and Company Formation Process

1. What is the definition of legal ownership in Nigeria?

The definition of legal ownership is contained in the Companies and Allied Matters Act (CAMA). Legal ownership is vested in persons or entities who have subscribed to the memorandum and articles of association and who are now described as members of the company. In the case of a company with share capital, each member shall be a shareholder and will hold at least one share. Where up to 51% of a company is held by another corporate entity, the former is deemed to be a subsidiary of the latter. Please see excerpts from CAMA attached.

2. What does “beneficial ownership” mean in Nigeria?

The National Stakeholders Working Group (NSWG) of the Nigeria Extractive Industries Transparency Initiative (NEITI) adopted the Extractive Industries Transparency Initiative (EITI) definition of Beneficial Ownership which states:

"f) Definition of beneficial ownership:

- i. A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.
- ii. The multi-stakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with (f)(i) above and take international norms and relevant national laws into account, and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons.
- iii. Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.
- iv. In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.

g) The EITI Report should also disclose the legal owners and share of ownership of such companies."

There is a draft bill amending the CAMA which has more elaborate provisions on Beneficial Ownership. At the time of publication of this Guide in November 2017, the bill is yet to be presented to the National Assembly. (The legislative process takes a long time, so it is difficult to make a prediction about when a decision is expected.)

3. How are legal entities (companies, partnerships, foundations, etc.) formed in Nigeria?

Legal entities are registered by the Corporate Affairs Commission upon filing the particulars of directors and company officers, and paying the necessary fees.

4. What is the role of Company Registries in Nigeria?

The Company Registries are located within the Corporate Affairs Commission and they register and keep records of all registered entities in Nigeria.

5. How is basic information and information on beneficial ownership on legal entities obtained and recorded in Nigeria?

Information on legal and beneficial ownership is obtained from persons seeking to register corporate entities under oath. Records are kept by the Corporate Affairs Commission (CAC).

Company records may be obtained by members of the public upon request after paying the necessary fees. Some information on legal entities may also be obtained by the public from the online company registry: <http://publicsearch.cac.gov.ng/comsearch/> (see Part III for more detail).

6. How are legal arrangements (express trusts and trust-like agreements) formed in Nigeria?

Trusts are incorporated by registering with the Corporate Affairs Commission (CAC) after undergoing some processes which include public advertisements, sworn affidavits on the correctness of information supplied, and completing some documentation. The required documentation for forming trusts includes:

- i. The Constitution of the applying entity
- ii. Minutes of the meeting appointing the Trustees with a list of their names
- iii. Permanent residential addresses and passport photos of the Trustees
- iv. Copies of a notice published in a newspaper stating that the listed Trustees intend to register the Trust and requesting any objections to the formation of the trust.

7. How is information on legal arrangements obtained and recorded in Nigeria?

Beneficial ownership information for trusts is provided by proposed trustees under oath. Customer-Due-Diligence (CDD) is done through public advertisements and sworn affidavit of the Trustees. The previous requirement for a police report has been replaced by a provision of information under oath.

II. Types of Legal Entities

There are many types of legal entities able to be formed in **Nigeria**. This Guide will provide information on four commonly used entities:

Limited Liability Companies

Type of legal entity	Limited Liability Companies	
What is the minimum number of natural persons required for formation?	2	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)?	X ¹	
Is there a residency requirement for directors?	X	
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?		X
Is a registered agent in the jurisdiction of formation required?		X
Is the entity required to hold financial account(s) in jurisdiction of formation?		X ²
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?	X ³	
If so, are they required to disclose their status as nominee directors?	X	
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		X ⁴
Does the jurisdiction allow for nominee shareholders?	X ⁵	
If so, are they required to disclose their status as nominee shareholders?	X	
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		X ⁴

Note:

¹ Documents such as Driver's License, National ID or International Passports are submitted as proof of identification of the natural persons.

² Opening an account is not one of the requirements for incorporation. However, after incorporation the company will typically open an account in Nigeria since they cannot conduct business without an account. Further, a bank account becomes necessary when they become due for filing annual returns after 18 months - unless they are dormant.

³ Corporate entities can be directors of other companies or nominate directors to that effect. Please see article E of the notes in form CAC 1.1 (Application for Registration of Company): "Where a corporate body is a subscriber or nominates a director to the board for a fixed term, a board resolution to that effect must be attached. For a corporate body registered outside Nigeria, a copy of certificate of registration duly translated if not in English Language must in addition be provided."

⁴ Nominee directors are required to disclose the identity of whoever they are acting for. However, the representation may be for a corporate entity and not a natural person.

⁵ Corporate entities can also be shareholders.

Incorporated Trustees

Type of legal entity	Incorporated Trustees	
What is the minimum number of natural persons required for formation?	2	
	Yes	No

Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X ¹	
Is there a residency requirement for directors?	X	
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?		X
Is a registered agent in the jurisdiction of formation required?		X
Is the entity required to hold financial account(s) in jurisdiction of formation?		X ²
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?		X
Does the jurisdiction allow for nominee directors?		X
If so, are they required to disclose their status as nominee directors?		
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		
Does the jurisdiction allow for nominee shareholders?		X
If so, are they required to disclose their status as nominee shareholders?		
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		

Note:

¹ Documents such as Driver's License, National ID or International Passports are submitted as proof of identification of the natural persons

² Opening an account is not one of the requirements for incorporation. However, after incorporation the company will typically open an account in Nigeria since they cannot conduct business without an account. Further, a bank account becomes necessary when they become due for filing annual returns after 18 months - unless they are dormant.

Company Limited by Guarantee

Type of legal entity	Company Limited by Guarantee	
What is the minimum number of natural persons required for formation?	2	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X ¹	
Is there a residency requirement for directors?	X	
Are bearer shares/share warrants permitted?		X
Is a Trust and Company Service Provider required to form?		X
Is a registered agent in the jurisdiction of formation required?		X
Is the entity required to hold financial account(s) in jurisdiction of formation?		X ²
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?	X	
If so, are they required to disclose their status as nominee directors?	X	
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		X
Does the jurisdiction allow for nominee shareholders?		Not applicable ³
If so, are they required to disclose their status as nominee shareholders?		
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		X

Note:

¹ Documents such as Driver’s License, National ID or International Passports are submitted as proof of identification of the natural persons.

² A financial account is not required at the time of incorporation. However, after incorporation they may open and hold financial accounts in Nigeria.

³ There are no shareholders as there is no share capital.

Registered Business Names

Type of legal entity	Registered Business Names	
What is the minimum number of natural persons required for formation?	1	
	Yes	No
Is there a requirement to register with the company registry?	X	
Is there a requirement to provide verification for identity of natural persons (shareholders, representatives of bodies corporate and beneficial owners)	X ¹	
Is there a residency requirement for directors? (Proprietors) as there are no directors	X	
Are bearer shares/share warrants permitted?		Not applicable ²
Is a Trust and Company Service Provider required to form?		X
Is a registered agent in the jurisdiction of formation required?		x
Is the entity required to hold financial account(s) in jurisdiction of formation?		X ³
Are tax filings required in the jurisdiction of formation (even if there are no direct tax liabilities)?	X	
Does the jurisdiction allow for nominee directors?		X
If so, are they required to disclose their status as nominee directors?		
If so, are the nominee directors required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		
Does the jurisdiction allow for nominee shareholders?		Not applicable ⁴
If so, are they required to disclose their status as nominee shareholders?		
If so, are the nominee shareholders required to obtain information on and/ or disclose the identity of natural person(s) on whose behalf they are acting?		

Note:

¹ Documents such as Driver’s License, National ID or International Passports are submitted as proof of identification of the natural persons.

² Not applicable because there is no share capital.

³ A financial account is not required at the time of incorporation. However, after incorporation they may open and hold financial accounts in Nigeria.

⁴ Not applicable because there is no share capital.

III. How to Access Information

Registry

The registry in Nigeria is called Corporate Affairs Commission.

The Company Register is available online at www.cac.gov.ng

Company Search: <http://publicsearch.cac.gov.ng/comsearch/>

Contact information for the registry is provided here:

Title: The Registrar-General
Agency: Corporate Affairs Commission
Address: PLOT 420, TIGRIS CRESCENT, OFF AGUIYI IRONSI STREET, MAITAMA-ABUJA
Phone: +234-8182298971; +234-8095521924
Email: cservice@cac.gov.ng

In general, the following information is publicly available online (free or for a nominal fee, with no log-in requirements):

1. Name of Legal Entity
2. Entity Number (if any)
3. Type of Legal Entity
4. Date of Incorporation
5. Principal Address of Business

In general, the following information is not publicly available online, but is available upon specific request and payment of the necessary fees:

1. Current Status (active, etc.)
2. Principal Purpose of Business
3. Registered Capital
4. Registered Agent Information
5. Officer/ Director Information (incl. power of representation)
6. Shareholder/ Member Information
7. Memorandum
8. Articles of Incorporation
9. Application/ Certificate of Formation
10. Annual/ Biennial Reports
11. Shareholder Register
12. Register of Charges
13. Historical Documents (example: past annual filings)

In general, the following information is not available online or through another form of public access, but may be available to law enforcement, through specific procedures listed in further detail below:

1. Bank Account Information
2. Payment Records

Register update

Companies are required to keep the information reported to the Corporate Affairs Commission up-to-date and the Corporate Affairs Commission has enforcement and sanction powers to ensure that information recorded in the registry is correct and up-to-date. The time frames for updates and penalties vary with the type of information, and the penalties for failing to comply are mostly fines.

Companies limited by shares or guarantees are required to deliver an annual return to the Commission (Companies and Allied Matters Act (CAMA), sections 370 - 378). Failure to comply means that the company and every director or officer of the company who is in default is guilty of an offence and liable to a fine of N 1,000 in the case of a public company and N 100 in the case of a private company.

The trustees of a corporation are also required to submit to the Commission an annual return showing, among other things, the name of the corporation, the names, addresses and occupations of the trustees, and members of the council or governing body, particulars of any land held by the corporate body during the year, and of any changes which have taken place in the constitution of the association during the preceding year. Failure to comply results in a fine of N5 each day during which the default continues (CAMA, section 607).

If defective financial statements that do not comply with the CAMA are delivered to the Commission or to shareholders, every person who is a director of the company at the time is guilty of an offence and in respect of each offence, liable to a fine of N100-250 (CAMA, section 348).

Under sections 83-84 of the CAMA, every company is required to keep a register of its members at the registered office of the company and enter in it: (1) the names and addresses of the members, and in the case of a company having a share capital, a statement of the shares and class of shares, (2) the date on which each person was registered as a member, (3) the date on which any person ceased to be a member. These entries must be made within 28 days of the new member registering or ceasing to become a member. Failure to comply results in a fine of N25 and a daily default fine of N5.

	Online Access (free or for nominal fee, no log-in requirements)	Other Public Access (available in person only or via pre-registration requirement)	Law Enforcement Access only	For Information/ documents accessible only by Law Enforcement, please describe how an investigator may access information
Name of Legal Entity	X			
Entity Number (if any)	X			
Type of Legal Entity	X			
Date of Incorporation	X			
Current Status (active, etc.)		X		
Principal Address of Business	X			
Principal Purpose of Business		X		
Registered Capital		X		
Registered Agent Information		X		
Officer/ Director Information (incl. power of representation)		X		
Shareholder/ Member Information		X		
Memorandum		X		
Articles of Incorporation		X		
Application/ Certificate of Formation		X		
Annual/ Biennial Reports		X		
Shareholder Register		X		
Register of Charges		X		
Bank Account Information			X	Upon request*
Payment Records			X	Upon request*
Historical Documents (example: past annual filings)		X		

* Investigators can access this information by a simple request directed to the Registrar General. The information is provided speedily and at no cost. A special unit called the Status Desk is located at the office of the Registrar General for this purpose and attends primarily to investigators and Embassies.

Other Channels

The explanation below outlines the channels by which foreign authorities may obtain information on legal entities, legal arrangements, or relevant persons from different sources in **Nigeria**.

Channels through which foreign authorities may obtain information

Legal entities/ Relevant Individuals (directors, shareholders, managers, associates, family members, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals	X		Local law enforcement entities can assist in obtaining information	X		MLA requests can be submitted to the Central Authority Unit.
Records/ documents	X		Local law enforcement entities can assist in providing records and documentation	X		MLA requests can be submitted to the Central Authority Unit.

Legal arrangements/ relevant individuals (trustees [nonprofessional], settlers, beneficiaries, protectors, etc.)

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with relevant Individuals	X			X		
Records/ documents	X			X		

Financial Institutions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel	X		Information can be obtained through the NFIU	X		Information can be obtained through the NFIU routed through the CAU
Accounts records/ documents	X		Information can be obtained through the NFIU	X		Information can be obtained through the NFIU routed through the CAU

Trust and Company Service Providers

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	

Interviews with personnel	X			X		
Accounts records/ documents	X			X		

Other Designated Non-Financial Businesses and Professions

	Information/ Intelligence Sharing Inquiry		Explanation	Mutual Legal Assistance Request		Explanation
	Yes	No		Yes	No	
Interviews with personnel	X		Information can be obtained through the Special Control Unit Against Money Laundering (SCUML)	X		Information can be obtained through the Special Control Unit Against Money Laundering (SCUML)
Accounts records/ documents	X		Information can be obtained through the Special Control Unit Against Money Laundering (SCUML)	X		Information can be obtained through the Special Control Unit Against Money Laundering (SCUML)

IV. Other Useful Sources of Information

Resource Name	Web Link
Nigeria Extractive Industries Transparency Initiative (NEITI)	http://www.neiti.gov.ng/
NEITI Roadmap on Beneficial Ownership Disclosures	https://eiti.org/sites/default/files/documents/neiti-bor-281216.pdf
Companies and Allied Matters Act (CAMA), 1990	http://cacnigeria.org/downloads/CAC_1990_Decree_001.pdf