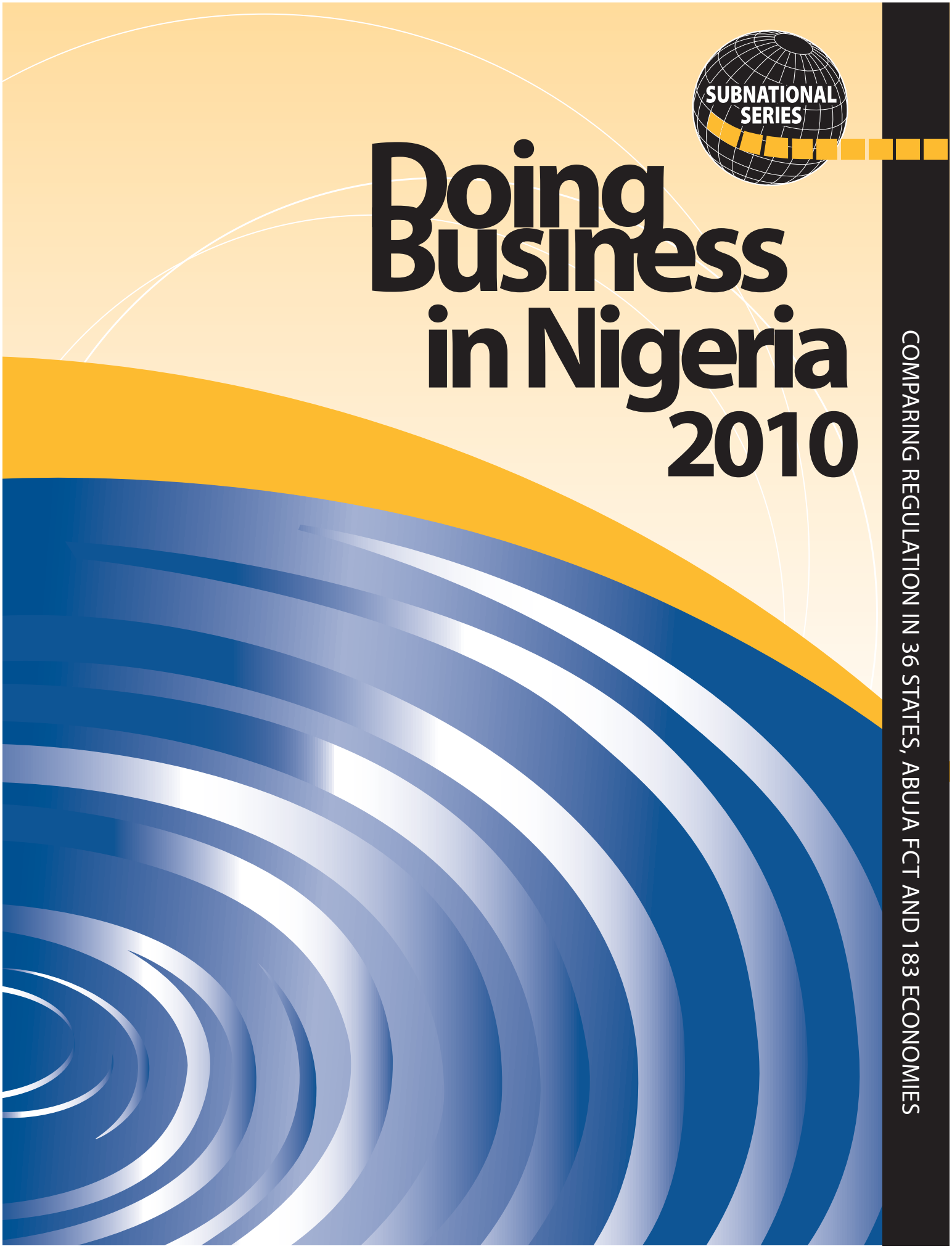

SUBNATIONAL SERIES
Doing Business in Nigeria 2010
COMPARING REGULATION IN 36 STATES, ABUJA FCT AND 183 ECONOMIES

Doing Business in Nigeria 2010

COMPARING REGULATION IN 36 STATES, ABUJA FCT AND 183 ECONOMIES

A COPUBLICATION OF THE WORLD BANK AND THE INTERNATIONAL FINANCE CORPORATION

© 2010 The International Bank for Reconstruction and Development / The World Bank
1818 H Street NW
Washington, DC 20433
Telephone 202-473-1000
Internet www.worldbank.org
E-mail feedback@worldbank.org

All rights reserved.

A publication of the World Bank and the International Finance Corporation.

This volume is a product of the staff of the World Bank Group. The findings, interpretations, and conclusions expressed in this volume do not necessarily reflect the views of the Executive Directors of the World Bank or the governments they represent. The World Bank does not guarantee the accuracy of the data included in this work.

Rights and Permissions
The material in this publication is copyrighted. Copying and/or transmitting portions or all of this work without permission may be a violation of applicable law. The World Bank encourages dissemination of its work and will normally grant permission to reproduce portions of the work promptly.

For permission to photocopy or reprint any part of this work, please send a request with complete information to the Copyright Clearance Center, Inc., 222 Rosewood Drive, Danvers, MA 01923, USA; telephone 978-750-8400; fax 978-750-4470; Internet: www.copyright.com.

All other queries on rights and licenses, including subsidiary rights, should be addressed to the Office of the Publisher, The World Bank, 1818 H Street NW, Washington, DC 20433, USA; fax: 202-522-2422; e-mail: pubrights@worldbank.org.

*Doing Business in Nigeria 201*0 and other subnational and regional *Doing Business* studies can be downloaded at no charge at http://subnational.doingbusiness.org

Additional copies of the *Doing Business* global reports: *Doing Business 2010: Reforming through Difficult Times*, *Doing Business 2009*, *Doing Business 2008*, *Doing Business 2007: How to Reform*, *Doing Business in 2006: Creating Jobs*, *Doing Business in 2005: Removing Obstacles to Growth* and *Doing Business in 2004: Understanding Regulations*, may be purchased at www.doingbusiness.org

About the Investment Climate Advisory Services of the World Bank Group
The Investment Climate Advisory Services of the World Bank Group helps governments implement reforms to improve their business environment, and encourage and retain investment, thus fostering competitive markets, growth and job creation. Funding is provided by the World Bank Group (IFC, MIGA, and the World Bank) and over fifteen donor partners working through the multi-donor FIAS platform.

Doing Business in Nigeria 2010 is the second subnational report of the *Doing Business* series in Nigeria. In 2008, quantitative indicators on business regulations were created for 10 states and Abuja, FCT. This year, *Doing Business in Nigeria 2010* expands the analysis to all 36 Nigerian states and Abuja, FCT, and documents progress in the 10 states and the capital previously measured. The states are compared against each other, and with 183 economies worldwide.

Comparisons with other economies are based on the indicators in *Doing Business 2010: Reforming through Difficult Times*, the seventh in a series of annual reports published by the World Bank and the International Finance Corporation. The indicators in *Doing Business in Nigeria 2010* are also comparable with the data in other subnational *Doing Business* reports. All *Doing Business* data and reports are available at http://subnational.doingbusiness.org and at www.doingbusiness.org.

Doing Business investigates the regulations that enhance business activity and those that constrain it. Regulations affecting 4 stages of the life of a business are measured at the subnational level in Nigeria: starting a business, dealing with construction permits, registering property, and enforcing contracts. These indicators have been selected because they cover areas of local jurisdiction or practice. The data in *Doing Business in Nigeria 2010* are current as of January 2010.

The indicators are used to analyze economic outcomes and identify which reforms have worked, where, and why. Other areas important to business—such as a country's proximity to large markets, the quality of infrastructure services (other than services related to trading across borders), the security of property from theft and looting, the transparency of government procurement, macroeconomic conditions, or the underlying strength of institutions—are not directly studied by *Doing Business*. To make the data comparable across jurisdictions, the indicators refer to a specific type of business—generally a small or medium-size limited liability company.

This project is part of the Nigeria Subnational Investment Climate Program, which supports state governments in improving their business environments. This program is the Nigerian government's response to its National Economic Empowerment and Development Strategy (NEEDS) and the Country Partnership Strategy between it, the U.K. Department for International Development (DFID), and the World Bank Group, which aim to create momentum for reform through dialogue between the private and public sectors in participant states, drive investments and non-oil growth in these states, and reduce income poverty through shared sustainable economic growth in Nigeria's non-oil sector. This study is part of a three-instrument benchmarking process for Nigeria that also includes an Investment Climate Assessment (ICA) and State Level Policy and Institutional Mapping (SLPIM).

Contents

About *Doing Business* and *Doing Business in Nigeria 2010* 1
Overview 7
Starting a business 13
Dealing with construction permits 18
Registering property 23
Enforcing contracts 28

Data notes 33
State tables 38
Doing Business indicators 47
List of procedures
- Starting a business 51
- Dealing with construction permits 90
- Registering property 137

Acknowledgments 168

About *Doing Business* and *Doing Business in Nigeria 2010*

In 1664 William Petty, an adviser to England's Charles II, compiled the first known national accounts. He made 4 entries. On the expense side, "food, housing, clothes and all other necessaries" were estimated at £40 million. National income was split among 3 sources: £8 million from land, £7 million from other personal estates and £25 million from labor income.

In later centuries estimates of country income, expenditure and material inputs and outputs became more abundant. But it was not until the 1940s that a systematic framework was developed for measuring national income and expenditure, under the direction of British economist John Maynard Keynes. As the methodology became an international standard, comparisons of countries' financial positions became possible. Today the macroeconomic indicators in national accounts are standard in every country.

Governments committed to the economic health of their country and opportunities for its citizens now focus on more than macroeconomic conditions. They also pay attention to the laws, regulations and institutional arrangements that shape daily economic activity.

The global financial crisis has renewed interest in good rules and regulation. In times of recession, effective business regulation and institutions can support economic adjustment. Easy entry and exit of firms, and flexibility in redeploying resources, make it easier to stop doing things for which demand has weakened and to start doing new things. Clarification of property rights and strengthening of market infrastructure (such as credit information and collateral systems) can contribute to confidence as investors and entrepreneurs look to rebuild.

Until very recently, however, there were no globally available indicator sets for monitoring such microeconomic factors and analyzing their relevance. The first efforts, in the 1980s, drew on perceptions data from expert or business surveys. Such surveys are useful gauges of economic and policy conditions. But their reliance on perceptions and their incomplete coverage of poor countries constrain their usefulness for analysis.

The *Doing Business* project, launched 8 years ago, goes one step further. It looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle. *Doing Business* and the standard cost model initially developed and applied in the Netherlands are, for the present, the only standard tools used across a broad range of jurisdictions to measure the impact of government rule-making on business activity.

The first *Doing Business* report, published in 2003, covered 5 indicator sets in 133 economies. This year's report covers 10 indicator sets in 183 economies. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business.

WHAT *DOING BUSINESS IN NIGERIA 2010* COVERS

Doing Business in Nigeria 2010 provides a quantitative measure of the federal and state regulations for starting a business, dealing with construction permits, registering property, and enforcing contracts—as they apply to domestic small and medium-size enterprises.

A fundamental premise of *Doing Business* is that economic activity requires good rules. These include rules that establish and clarify property rights and reduce the costs of resolving disputes, rules that increase the predictability of economic interactions and rules that provide contractual partners with core protections against abuse. The objective is: regulations designed to be efficient, to be accessible to all who need to use them and to be simple in their implementation. Accordingly, some *Doing Business* indicators give a higher score for more regulation, such as stricter disclosure requirements in related-party transactions. Some give a higher score for a simplified way of implementing existing regulation, such as completing business start-up formalities in a one-stop shop.

Doing Business in Nigeria 2010 encompasses 2 types of data. The first come from readings of laws and regulations. The second are time and motion indicators that measure the efficiency in achieving a regulatory goal (such as granting the legal identity of a business). Within the time and motion indicators, cost estimates are recorded from official fee schedules where applicable. Here, *Doing Business* builds on Hernando de Soto's pioneering work in applying the time and motion approach first used by Frederick Taylor to revolutionize the production of the Model T Ford. De Soto used the approach in the 1980s to show the obstacles to setting up a garment factory on the outskirts of Lima, Peru.

WHAT *DOING BUSINESS IN NIGERIA 2010* DOES NOT COVER

It is important to know the scope and limitations of *Doing Business in Nigeria 2010* in order to interpret the results of this report.

LIMITED IN SCOPE

Doing Business in Nigeria 2010 focuses on four topics, with the specific aim of measuring the regulation and red tape relevant to the life cycle of a domestic small to medium-size firm. Accordingly:

- *Doing Business in Nigeria 2010* does not measure all ten indicators covered in the global *Doing Business* report. The report covers only those 4 areas of business regulation that are the provenance of state or federal governments and where local differences exist.
- *Doing Business in Nigeria 2010* does not measure all aspects of the business environment that matter to firms or investors—or all factors that affect competitiveness. It does not, for example, measure security, macroeconomic stability, corruption, the labor skills of the population, the underlying strength of institutions or the quality of infrastructure. Nor does it focus on regulations specific to foreign investment.
- *Doing Business in Nigeria 2010* does not assess the strength of the financial system or market regulations, both important factors in understanding some of the underlying causes of the global financial crisis.
- *Doing Business in Nigeria 2010* does not cover all regulations, or all regulatory goals, in any jurisdiction. As economies and technology advance, more areas of economic activity are being regulated.

For example, the European Union's body of laws (acquis) has now grown to no fewer than 14,500 rule sets. *Doing Business in Nigeria 2010* measures just 4 phases of a company's life cycle, through 4 specific sets of indicators. The indicator sets also do not cover all aspects of regulation in the particular area. For example, the indicators on starting a business do not cover all aspects of commercial legislation.

BASED ON STANDARDIZED CASE SCENARIOS

The indicators analyzed in *Doing Business in Nigeria 2010* are based on standardized case scenarios with specific assumptions, such as that the business is located in certain cities in one of the 36 Nigerian states or in Abuja, FCT. Economic indicators commonly make limiting assumptions of this kind. Inflation statistics, for example, are often based on prices of consumer goods in a few urban areas. Such assumptions allow global coverage and enhance comparability, but they inevitably come at the expense of generality.

In areas where regulation is complex and highly differentiated, the standardized case used to construct each *Doing Business in Nigeria 2010* indicator needs to be carefully defined. Where relevant, the standardized case assumes a limited liability company. This choice is in part empirical: private, limited liability companies are the most prevalent business form in most economies around the world. The choice also reflects one focus of *Doing Business:* expanding opportunities for entrepreneurship. Investors are encouraged to venture into business when potential losses are limited to their capital participation.

FOCUSED ON THE FORMAL SECTOR

In defining the indicators, *Doing Business in Nigeria 2010* assumes that entrepreneurs are knowledgeable about all regulations in place and comply with them. In practice, entrepreneurs may spend considerable time finding out where to go and what documents to submit. Or they may avoid legally required procedures altogether—by not registering for social security, for example.

Where regulation is particularly onerous, levels of informality are higher. Informality comes at a cost: firms in the informal sector typically grow more slowly, have poorer access to credit and employ fewer workers—and their workers remain outside the protections of labor law. *Doing Business in Nigeria 2010* measures one set of factors that help explain the occurrence of informality and give policy makers insights into potential areas of reform. Gaining a fuller understanding of the broader business environment, and a broader perspective on policy challenges, requires combining insights from *Doing Business in Nigeria 2010* with data from other sources, such as the World Bank Enterprise Surveys.

WHY THIS FOCUS

Doing Business in Nigeria 2010 functions as a kind of cholesterol test for the regulatory environment for domestic businesses. A cholesterol test does not tell us everything about the state of our health. But it does measure something important for our health. And it puts us on watch to change behaviors in ways that will improve not only our cholesterol rating but also our overall health.

One way to test whether *Doing Business* serves as a proxy for the broader business environment and for competitiveness is to look at correlations between the *Doing Business* rankings and other major economic benchmarks. The indicator set closest to *Doing Business* in what it measures is the Organization for Economic Co-operation and Development's indicators of product market regulation; the correlation here is 0.75. The World Economic Forum's Global Competitiveness Index and IMD's World Competitiveness Yearbook are broader in scope, but these too are strongly correlated with *Doing Business* (0.79 and 0.72, respectively). These correlations suggest that where peace and macroeconomic

stability are present, domestic business regulation makes an important difference in economic competitiveness.

A bigger question is whether the issues on which *Doing Business* focuses matter for development and poverty reduction. The World Bank study *Voices of the Poor* asked 60,000 poor people around the world how they thought they might escape poverty. The answers were unequivocal: women and men alike pin their hopes above all on income from their own business or wages earned in employment. Enabling growth—and ensuring that poor people can participate in its benefits—requires an environment where new entrants with drive and good ideas, regardless of their gender or ethnic origin, can get started in business and where good firms can invest and grow, generating more jobs.

Small and medium-size enterprises are key drivers of competition, growth and job creation, particularly in developing countries. But in these economies up to 80% of economic activity takes place in the informal sector. Firms may be prevented from entering the formal sector by excessive bureaucracy and regulation.

Where regulation is burdensome and competition limited, success tends to depend more on whom you know than on what you can do. But where regulation is transparent, efficient and implemented in a simple way, it becomes easier for any aspiring entrepreneurs, regardless of their connections, to operate within the rule of law and to benefit from the opportunities and protections that the law provides.

In this sense *Doing Business* values good rules as a key to social inclusion. It also provides a basis for studying effects of regulations and their application. For example, *Doing Business 2004* found that faster contract enforcement was associated with perceptions of greater judicial fairness—suggesting that justice delayed is justice denied.

In the current global crisis policymakers face particular challenges. Both developed and developing economies are seeing the impact of the financial crisis flowing through to the real economy, with rising unemployment and income loss. The foremost challenge for many governments is to create new jobs and economic opportunities. But many have limited fiscal space for publicly funded activities such as infrastructure investment or for the provision of publicly funded safety nets and social services. Reforms aimed at creating a better investment climate, including reforms of business regulation, can be beneficial for several reasons. Flexible regulation and effective institutions, including efficient processes for starting a business and efficient insolvency or bankruptcy systems, can facilitate reallocation of labor and capital. And regulatory institutions and processes that are streamlined and accessible can help ensure that, as businesses rebuild, barriers between the informal and formal sectors are lowered, creating more opportunities for the poor.

DOING BUSINESS IN NIGERIA 2010 AS A BENCHMARKING EXERCISE

Doing Business in Nigeria 2010, in capturing some key dimensions of regulatory regimes, can be useful for benchmarking. Any benchmarking—for individuals, firms or economies—is necessarily partial: it is valid and useful if it helps sharpen judgment, less so if it substitutes for judgment.

Doing Business in Nigeria 2010 provides 2 approaches on the data it collects: it presents "absolute" indicators for each state for each of the 4 regulatory topics it addresses, and it provides rankings of states by indicator. Judgment is required in interpreting these measures for any state and in determining a sensible and politically feasible path for reform.

Reviewing the *Doing Business* rankings in isolation may show unexpected results. Some states may rank unexpectedly high on some indicators. And some states that have had rapid growth or attracted a great deal of investment may rank lower than others that appear to be less dynamic.

But for reform-minded governments, how much their indicators improve matters more than their absolute ranking. As states develop, they strengthen and add to regulations to protect investor and property rights. Meanwhile, they find more efficient ways to implement existing regulations and cut outdated ones. One finding of *Doing Business:* dynamic and growing economies around the world continually reform and update their regulations and their way of implementing them, while many poor economies still work with regulatory systems dating to the late 1800s.

DOING BUSINESS— A USER'S GUIDE

Quantitative data and benchmarking can be useful in stimulating debate about policy, both by exposing potential challenges and by identifying where policy makers might look for lessons and good practices. These data also provide a basis for analyzing how different policy approaches—and different policy reforms—contribute to desired outcomes such as competitiveness, growth and greater employment and incomes.

Seven years of *Doing Business* data have enabled a growing body of research on how performance on *Doing Business* indicators—and reforms relevant to those indicators—relate to desired social and economic outcomes. Some 405 articles have been published in peer-reviewed academic journals, and about 1,143 working papers are available through Google Scholar. Among the findings:

- Lower barriers to start-up are associated with a smaller informal sector.

- Lower costs of entry encourage entrepreneurship, enhance firm productivity and reduce corruption.
- Simpler start-up translates into greater employment opportunities.

HOW DO GOVERNMENTS USE *DOING BUSINESS*?

A common first reaction is to doubt the quality and relevance of the *Doing Business* data. Yet the debate typically proceeds to a deeper discussion exploring the relevance of the data to the economy and areas where reform might make sense.

Most reformers start out by seeking examples, and *Doing Business* helps in this. For example, Saudi Arabia used the company law of France as a model for revising its own. Many countries in Africa look to Mauritius—the region's strongest performer on *Doing Business* indicators— as a source of good practices for reform. In the words of Luis Guillermo Plata, the Minister of Commerce, Industry and Tourism of Colombia,

It's not like baking a cake where you follow the recipe. No. We are all different. But we can take certain things, certain key lessons, and apply those lessons and see how they work in our environment.

Over the past 7 years there has been much activity by governments in reforming the regulatory environment for domestic businesses. Most reforms relating to *Doing Business* topics were nested in broader programs of reform aimed at enhancing economic competitiveness. In structuring their reform programs, governments use multiple data sources and indicators. And reformers respond to many stakeholders and interest groups, all of whom bring important issues and concerns into the reform debate.

World Bank support to these reform processes is designed to encourage critical use of the data, sharpening judgment and avoiding a narrow focus on improving *Doing Business* rankings.

METHODOLOGY AND DATA

Doing Business in Nigeria 2010 covers all 36 Nigerian states and Abuja, FCT. The data are based on federal and state laws and regulations as well as administrative requirements. (For a detailed explanation of the *Doing Business in Nigeria 2010* methodology, see the Data notes).

INFORMATION SOURCES FOR THE DATA

Most of the indicators are based on laws and regulations. In addition, most of the cost indicators are backed by official fee schedules. *Doing Business* respondents both fill out written surveys and provide references to the relevant laws, regulations and fee schedules, aiding data checking and quality assurance.

For some indicators part of the cost component (where fee schedules are lacking) and the time component are based on actual practice rather than the law on the books. This introduces a degree of subjectivity. The *Doing Business* approach has therefore been to work with legal practitioners or professionals who regularly undertake the transactions involved. Following the standard methodological approach for time and motion studies, *Doing Business* breaks down each process or transaction, such as starting and legally operating a business, into separate steps to ensure a better estimate of time. The time estimate for each step is given by practitioners with significant and routine experience in the transaction.

The *Doing Business* approach to data collection contrasts with that of enterprise or firm surveys, which capture often one-time perceptions and experiences of businesses. A corporate lawyer registering 100–150 businesses a year will be more familiar with the process than an entrepreneur, who will register a business only once or maybe twice. A bankruptcy judge deciding dozens of cases a year will have more insight into bankruptcy than a company that may undergo the process.

DEVELOPMENT OF THE METHODOLOGY

The methodology for calculating each indicator is transparent, objective and easily replicable. Leading academics collaborate in the development of the indicators, ensuring academic rigor. Seven of the background papers underlying the indicators have been published in leading economic journals. One is at an advanced stage of publication.

Doing Business uses a simple averaging approach for weighting subindicators and calculating rankings. Other approaches were explored, including using principal components and unobserved components. The principal components and unobserved components approaches turn out to yield results nearly identical to those of simple averaging. The tests show that each set of indicators provides new information. The simple averaging approach is therefore robust to such tests.

IMPROVEMENTS TO THE METHODOLOGY AND DATA REVISIONS

The methodology has undergone continual improvement over the years. Changes have been made mainly in response to country suggestions. In accordance with the *Doing Business* methodology, these changes have been incorporated into the *Doing Business in Nigeria 2010*.

For starting a business, for example, the minimum capital requirement can be an obstacle for potential entrepreneurs. Initially, *Doing Business* measured the required minimum capital regardless of whether it had to be paid up front or not. In many economies only part of the minimum capital has to be paid up front. To reflect the actual potential barrier to entry, the paid-in minimum capital has been used since 2004.

All changes in methodology are explained in the Data notes section of this report as well as on the *Doing Business* website. In addition, data time series

for each indicator and state are available on the website. The website also makes available all original data sets used for background papers.

Information on data corrections is provided in the Data notes and on the website. A transparent complaint procedure allows anyone to challenge the data. If errors are confirmed after a verification process, they are expeditiously corrected.

Overview

Nigeria is Africa's giant. It is the continent's most populous country, second-largest economy, and an emerging leader of African diplomacy. By virtue of its size alone, a prosperous Nigeria would generate social and economic gains for the whole region. But the challenges facing the country are formidable and success is not guaranteed. Despite its oil wealth and sustained economic growth during the last decade, more than half of its population still lives in poverty.[1] Given the low employment capacity in the oil sector, economic diversification is important for sustainable growth, job creation, and poverty reduction. Nigeria's private sector is a tribute to the resilience of a vibrant enterprise culture struggling to take root. For years Nigerian firms have faced a tough business environment and yet resourceful entrepreneurs continue to find ways of coping. Efficient, accessible, and simple regulations and clear property rights could unleash the natural entrepreneurship of small and medium-size firms even further.

Doing Business studies business regulations from the perspective of a small to medium-size domestic firm. Lagos represents the country in the annual *Doing Business* report, which compares regulatory practices in 183 economies. Yet, within Nigeria, entrepreneurs face different local regulations and practices across states. *Doing Business in Nigeria 2008* was the first report to go beyond Lagos, to capture these differences in 10 other Nigerian states and the capital on 4 *Doing Business* topics: starting a business, dealing with construction permits, registering property, and enforcing contracts. This report updates the information presented in 2008 and tracks the progress in implementation of reforms. It also expands the analysis to all 36 Nigerian states and the capital city, to provide a comprehensive map of the ease of doing business in the country. The results are presented here (table 1.1). Overall, it is easiest to do business in Jigawa, Gombe, and Borno and most difficult in Imo and Ogun.

Two observations stand out. First, this year's top performers are states with competitive regulatory frameworks that were not measured in *Doing Business in Nigeria 2008*. Others, like Kano and Bauchi, maintain their position in the top 10. Second, in aggregate, northern states generally perform better.[2] Nevertheless, there are exceptions. For example, Akwa Ibom ranks better than its regional neighbors due to its above average performance on starting a business and registering property. In Uyo, Akwa Ibom's capital, the cost of legal representation to handle company incorporation and property transfer is also cheaper than in other states from the South South region.

Large southern business centers—such as Lagos, Port Harcourt, and Ibadan—deal with a higher volume of business services, which can lead to delays and more expensive professional services. On the other hand, these cities should also benefit from economies of scale and have more resources at their disposal to invest in administrative modernization than their smaller neighbors. Behind the aggregate ranking, there is a rich variation on a topic-by-topic basis. No single state does well on all four topics, even when compared with peers (figure 1.1). For example, Ekiti performs well on the ease of dealing with construction permits, but lags behind on the three other

TABLE 1.1

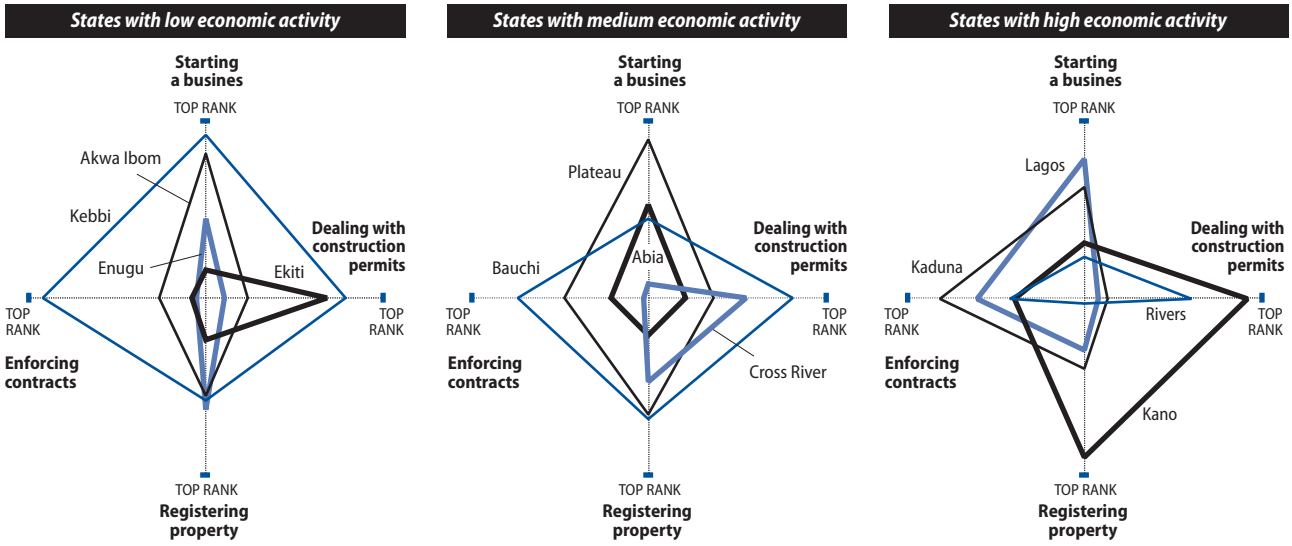
Where is it easier to do business in Nigeria—and where not?

1	Jigawa (easiest)	11	Taraba	21	Edo	31	Ebonyi
2	Gombe	12	Sokoto*	22	Kaduna*	32	Abia*
3	Borno	13	Benue	23	Osun	33	Cross River*
4	Kebbi	14	Kwara	24	Ondo	34	Ekiti
5	Kogi	15	Plateau	25	Lagos*	35	Anambra*
6	Yobe	16	Niger	26	Oyo	36	Imo
7	Katsina	17	Abuja, FCT*	27	Rivers	37	Ogun*
8	Kano*	18	Nasarawa	28	Bayelsa		
9	Zamfara	19	Adamawa	29	Delta		
10	Bauchi*	20	Akwa Ibom	30	Enugu*		

*State included in *Doing Business in Nigeria 2008* report.

Source: Doing Business database.

FIGURE 1.1
Comparing the *Doing Business* rankings of states with similar population and economic activity



Source: Doing Business database.

topics when compared with states with a similar population size and economic activity,[3] such as Akwa Ibom, Enugu, or Kebbi. And while Enugu does not do well on contract enforcement, the other three states can learn from Enugu how to make property registration easier.

While Bauchi is the best overall performer among medium-size states, it should look to Plateau for good practices when starting a business. Cross River ranks lowest among its peers on starting a business and enforcing a contract, but Plateau and Abia can learn from Cross River how to make dealing with construction permits more efficient. Among large states, Kano's overall performance is better than Lagos, Rivers, and Kaduna. Moreover, Kano outperforms smaller states on dealing with construction permits and registering property. But when it comes to enforcing a contract or starting a business, Kano could learn from Kaduna or Lagos. The conclusion is that all states can learn from the local regulations and practices of their peers. Also, national level agencies can compare the performances of their local branches in different states, implementing the experiences of the most efficient ones in less successful locations.

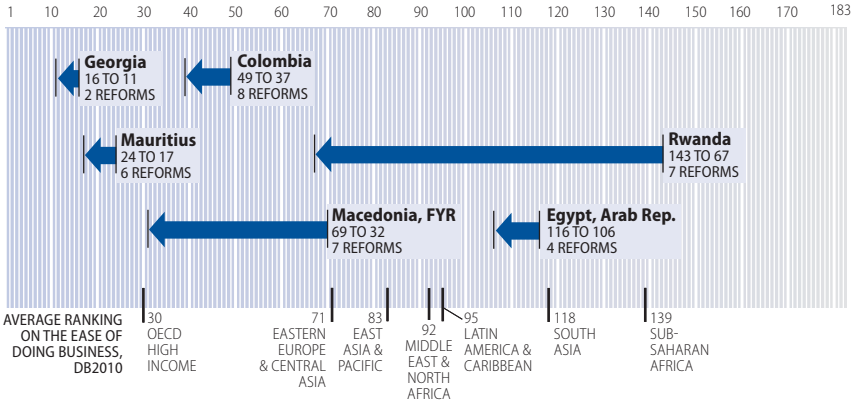
WHAT GETS MEASURED GETS DONE

Despite the hardship imposed by the 2009 economic crisis on businesses globally, this was a record year for regulatory reforms. *Doing Business* recorded 287 reforms in 131 of the 183 economies measured between June 2008 and May 2009—20% more than the previous year. In Sub-Saharan Africa, 29 of 46 economies reformed in 2008/2009, implementing 67 reforms. As in previous years, nearly half the reforms in the region focused on making it easier to start a business and trade across borders. And for the first time, a Sub-Saharan African economy, Rwanda, led the world in *Doing Business* reforms (figure 1.2).

Nigeria's 2020 strategy targets economic growth, through structural and institutional reforms, as a critical development initiative. The strategy includes an ambitious goal of taking the country into the ranks of the world's 20 largest economies by the year 2020.[4]

Between 2005 and 2009, Nigeria introduced 9 major regulatory reforms to make it easier for firms to start-up and operate, as measured by *Doing Business* (table 1.2). With the passing of the Pension Reform Act No.2 of 2004, companies and employers are no longer required to register with the Nigeria Social Insurance Trust Fund.[5] In addition, Nigeria introduced electronic procedures at the company registry, such as online verification of the company name, speeding start-up time by 9 days.[6] Stamp duty fees were reduced from 1.5% to 0.75% of the nominal share capital. A new building code was introduced in August 2006, which made significant improvements to building safety.[7] Nigeria embarked on major trade facilitation reforms, including: introducing computerization to speed up the inspection of goods, implementing a post clearance audit system to eliminate delays and congestion in ports, concessioning container terminals to private operators, and establishing Inland Container Terminals. Nigeria reformed getting credit by adopting regulations which paved the way for the creation of a private credit bureau.[8] Despite these efforts, Nigeria's overall ranking on the ease of doing business did not improve, because other countries have been reforming more vigorously. In the most recent report, *Doing Business 2010: Reforming through Difficult Times*, Nigeria, represented by Lagos, ranks 125 of 183 economies globally on the overall ease of doing business.

FIGURE 1.2
Consistent reformers continued reform efforts in 2008/09
Improvement in the ranking on the ease of doing business, DB2009–DB2010



Source: Doing Business database.

NIGERIAN STATES ARE REFORMING

The federal government is not alone in introducing regulatory reforms in Nigeria. States have been actively implementing reforms over the past two years. Since the publication of *Doing Business in Nigeria 2008*, eight of the ten states and the capital measured for the second time reformed in at least one of the four *Doing Business* indicators (table 1.3). In total, 14 positive reforms[9] were recorded, of which 11 focused on construction permits and property registration. Most reforms adopted by the states were administrative and often not costly to implement. One state stands out: Kano introduced reforms in three areas becoming the top reformer since the publication of *Doing Business in Nigeria 2008*. Enforcing statutory time limits for obtaining a building permit has halved the time to 14 days. Delegating the governor's power to grant consent on property transfers to both the Commissioner and the Permanent Secretary for Lands has resulted in substantial reductions in time. The process can now be completed in 2 weeks, faster than in most states. Efforts have been made to broaden access to justice and speed up proceedings by setting up new Magistrates Courts. The new courts and an increase in the number of magistrates have resulted in a decrease in the time needed to enforce a contract by three months, from 810 days recorded in the last report.

In dealing with construction permits, five of the eleven states surveyed in the last report reformed. Enugu has enforced statutory time limits, resulting in a reduction in the time to obtain a construction permit from 67 days in 2008 to 18 days now. Abuja's Development Control Department imposes no time limits, but organizes weekly approval committee meetings to review applications. If approval is granted, the permit is issued in one month, faster than in 2008, when it took 60 days. Some states have taken steps to make information more easily available to the public. Abeokuta's Bureau of Urban and Physical Planning organizes a weekly television program, *Town Planning Half an Hour,* on the Ogun state Gateway television channel every Thursday to address urban development issues and complaints. In Lagos, several reforms are currently being implemented. In October 2009, the governor of Lagos issued an executive order that delegates the power to grant construction permits to lower levels of the administration, depending on the complexity of the project. The executive order also specifies that building regulations contained in the Lagos Building Permit Approval Handbook should be made available to the public for free. Lagos' District Office now requires its field officers to carry a camera when conducting their first site inspection. The pictures—proving that the plot is in fact empty—are attached to the application, with no need to conduct any further pre-construction inspections.

Six states reformed property registration. One of the reasons why transferring a property title in Nigeria is cumbersome is because entrepreneurs have to pay multiple fees at commercial banks and wait

TABLE 1.2
Reforms in Nigeria* 2005–2009

Doing Business report	Starting a business	Dealing with construction permits	Employing workers	Registering property	Getting credit	Protecting investors	Paying taxes	Trading across borders	Enforcing contracts	Closing a business
DB 2006	✔				✔					
DB 2007				✔				✔	✔	
DB 2008	✔	✔								
DB 2009								✔		
DB 2010					✔					

* Represented by Lagos

Source: Doing Business database.

TABLE 1.3
Eight of the eleven states measured since 2008 implemented reforms in at least one area

State	Dealing with construction permits	Registering property	Enforcing contracts
Kano*	✔	✔	✔
Anambra	✔	✔	
Ogun	✔	✔	
Enugu	✔	✔ ✗	
Abuja, FCT	✔	✗	✔
Kaduna			✔
Sokoto		✔	
Abia		✔ ✗	

*Top reformer. A top reformer is a state that implemented reforms since *Doing Business in Nigeria 2008* that made it easier to do business in two or more of the *Doing Business* indicators, and also achieved the largest increase in the aggregate ranking from the previous report.

✗ indicates a negative reform

Note: This table records reforms that occurred between June 2008 and January 2010.

Source: Doing Business database.

for the respective agency to receive payment confirmation. Ogun state addressed this problem by introducing a system that allows fee payments using an ATM card at a "point of payment" terminal located within the Ministry of Lands. The total time needed to register property in Ogun has decreased by almost two weeks, compared with 114 days two years ago. Abia introduced e-payment in 2009 and now all fees are paid at a commercial bank and transferred electronically to the account of each agency, which keeps corruption at bay. In Sokoto, the Nigerian Bar Association and other stakeholders put pressure to speed up the process of granting consent on property transfers. The governor agreed and has since ensured that consent is granted within 60 days, rather than 75 days, as previously. Another reform is the introduction of the Geographic Information System (GIS). Following Abuja's example, and more recently Lagos, Kano and Kwara will implement GIS, which captures and stores land information in a digital format. This reform speeds the process of searching the property title for encumbrances. It also increases title security, eliminating the need for submitting additional documents to prove the title origin. Anambra lowered the search fee for property titles fivefold from NGN 5,000 (US$ 37) to NGN 1,000 (US$ 7). In 2009, the Lands Registry in Lagos has doubled the number of account officers from 2 to 4 in an effort to speed up the reconciliation of payments for property fees. Ongoing reforms in Lagos also include the delegation of governor consent for property transfers to 4 more commissioners, with a mandatory consent deadline of 48 hours.

In the area of contract enforcement, there is a dynamic trend of modernizing and updating civil procedure rules in many states. The momentum was initiated by Lagos, where new High Court Civil Procedure Rules were adopted in 2004. In 2006, Abuja, FCT, was among the first to follow suit. As a result, the time to enforce a contract in the capital was reduced from 432 to 381 days. Since then, many other states have remodeled their rules on those of Lagos and Abuja, FCT. Some states, like Kaduna and Nasarawa, have been faster to act than others. Most recently, in December 2009, Ondo adopted new High Court rules. Others are setting up committees to introduce the new rules.

COMPARING BUSINESS REGULATIONS ACROSS NIGERIA

STARTING A BUSINESS

Across all 36 states and Abuja, FCT, starting a limited liability company requires on average 9 procedures and 36 days, and costs 77.7% of income per capita. The average cost of starting a business is below the Sub-Saharan Africa average of 99.7% and, unlike most countries on the continent, Nigeria abolished the minimum capital requirement. In Abuja, FCT, the top-ranked city for starting a business, it takes 5 procedures, 22 days, and 58.5% of income per capita to start a business. By contrast, in Enugu, it costs almost twice as much. In Bayelsa, the most difficult state in which to start a business, it takes almost a month longer to complete the same incorporation process as it does in Abuja, FCT.

In comparison with countries from the Economic Community of West African States (ECOWAS), Nigeria requires almost the same number of procedures than the ECOWAS average but five more than Burkina Faso and Senegal. The average time needed to start a business is below the ECOWAS average (39 days), but behind twelve ECOWAS countries and just ahead of Côte d'Ivoire, Guinea, Togo, and Guinea-Bissau. When it comes to cost, Nigeria's national average is cheaper than the ECOWAS average (113.7%), but more expensive than in Ghana and Liberia.

DEALING WITH CONSTRUCTION PERMITS

A construction company based in Lagos spends 350 days on 18 procedures to obtain all building approvals and utility connections, at a cost of 580%[10] of income per capita. As reported in *Doing Business in Nigeria 2008*, building a warehouse is faster and cheaper in the North than in the South. It takes on average 74 days and 514% of income per capita to deal with construction permits in the 19 northern states and the capital surveyed, against 114 days and 573% of income per capita in the 17 southern states. There are also large variations in the number of procedures required across Nigerian states. To obtain all construction-related permits and utility connections, a construction company must complete only 10 procedures in Jigawa, compared with

TABLE 1.4
Best practices in Nigeria compared internationally

	Nigeria in DB 2010 (represented by Lagos)		Nigeria best practice		
Indicator	**Performance**	**Global rank** (183 economies)	**Best-performing state within Nigeria**	**Performance**	**Global rank** (183 economies) How Nigerian states would compare globally
Days to deal with construction permits	350 days	167	Jigawa	47 days	6
Number of procedures to deal with construction permits	18 procedures	101	Jigawa	10 procedures	9
Days to enforce a contract	457 days	64	Jigawa	261 days	10
Number of procedures to start a business	8 procedures	94	Abuja, FCT	5 procedures	25
Days to register property	82 days	140	Borno	14 days	26
Cost to deal with construction permits	580.3% of income per capita[1]	143	Kano	94.6% of income per capita	67
Cost to enforce a contract	32% of the claim value	120	Katsina	26% of the claim value	86
Days to start a business	31 days	117	Abuja, FCT	22 days	92
Cost to register property	20.9% of the property value	178	Yobe	5.2% of the property value	104
Number of procedures to register property	13 procedures	177	Borno, Gombe, Kwara	8 procedures	136
Cost to start a business	77.0% of income per capita[2]	153	Abuja, FCT	58.5% of income per capita	148

1. At the time of publication of *Doing Business 2010: Reforming through Difficult Times* the cost was 573.4% of income per capita.
2. At the time of publication of *Doing Business 2010: Reforming through Difficult Times* the cost was 76.7% of income per capita.

Source: Doing Business database.

23 procedures in Ebonyi. This difference is explained in part by the fact that in Jigawa there are only two inspections during construction, while in Ebonyi, a site analysis report is required before construction starts, followed by 12 inspections during the construction.

REGISTERING PROPERTY

On average, an entrepreneur would have to go through 12 procedures, wait 82 days, and pay 16% of the property value to have it registered in the Lands Registry. The average time and cost needed to transfer a property title make Nigeria one of the most difficult places to register property worldwide. Nigeria only has two fewer requirements than Brazil—the country with the highest number of procedures to register a property globally—and one less than Uganda—that with the highest number of procedures in Sub-Saharan Africa. At 16% of property value on average, the cost is almost 70% higher than the Sub-Saharan average. Yet, when analyzing the 36 states and the capital in detail, wide differences emerge. State government requirements and practices and the differing performances of local branches of federal agencies drive these variations. For example, registering property is easiest in Gombe, where it takes 8 procedures, 16 days, and 6.6% of the property value to transfer a title. By contrast, in Rivers state, it takes 13 procedures, 201 days, and 23.2% of the property value to complete the same process.

ENFORCING CONTRACTS

It takes on average 511 days and costs 36.3% of the claim value to resolve a commercial dispute through the courts. This is faster and cheaper than the Sub-Saharan Africa regional average of 644 days and 49.3% of the claim value. However, Nigeria lags behind Ghana, where it takes 487 days and costs 23% of the claim value. There are wide differences across Nigeria. In Yobe, it takes 1 year and costs 26.1% of the claim value. In Cross River state, it takes more than twice the time (835 days) and money (52.8%) to get the same result. On a global scale, Nigerian courts prove efficient when filing a claim. It takes an average of 23 days, but in Akwa Ibom, Delta, Ekiti, and Ondo, the process can be as fast as 7 days. The trial and judgment stage is where most delays occur. This usually takes at least one year, with the longest delays in Niger state—more than three years.

LEARNING FROM EACH OTHER: ADOPTING GOOD LOCAL PRACTICES

Benchmarking exercises like *Doing Business* inspire governments to reform. They uncover potential challenges and identify where policy makers can look for good practices. Comparisons between cities within the same country are even stronger drivers of reform, because local governments have a hard time explaining why doing business in their city or

state may be harder than in neighboring locations. The good news is that sharing a national legal framework facilitates the implementation of existing good practices within a country. National governments can also use *Doing Business* data to monitor how local branches of their agencies implement national regulations. In a world where locations compete against each other to attract investment, subnational *Doing Business* data allow local governments to review the conditions facing entrepreneurs in their cities from a comparative perspective. Subnational data are now available for almost 300 cities in 41 countries.

The example of Colombia is telling. *Doing Business in Colombia 2008* identified good practices in 13 cities, pointed out bottlenecks, and provided recommendations for reform. Two years later, a new report tracked progress over time. The results were impressive. All 13 cities showed improvements in at least one of the areas measured, thanks to local-level reforms.[11] Similarly, *Doing Business in India 2009* showed that 9 out of 10 Indian states benchmarked for the second time had introduced reforms. As a result of these reforms, the average time to start-up a company dropped from 45 to 35 days and the time to obtain a building permit was reduced by 25 days, on average.[12]

States in Nigeria can learn from each other and adopt regulations and practices that are working elsewhere in the country. If a hypothetical state called "Nigeriana" adopted all the best practices identified in this report, it would rank 72nd out of 183 countries globally—53 places ahead of Nigeria's position in *Doing Business 2010* (table 1.4). Reducing start-up requirements to the 5 procedures and 22 days needed in Abuja, FCT, would make Nigeria as speedy as Japan. Fast approval of construction permits, like in Jigawa, would mean that dealing with construction permits is three times faster than the OECD average (157 days). The time needed to register property in Borno, 14 days, is similar to Finland. Finally, resolving a commercial dispute in 261 days, like in Jigawa, would put Nigeria among the 10 fastest countries in the world, similar to Rwanda and faster than the United Kingdom.

Payoffs from reform can be large. Reforms expand the reach of regulation by bringing businesses and employees into the formal sector. Take Mexico, for example, where reforms cut the time to start a business from 58 to 13 days. A recent study reports the payoffs: the number of registered Mexican businesses rose by nearly 6%, employment increased by 2.6%, and prices fell by 1% because of the competition from new entrants.[13] Such results would be important for Nigeria, where only 10% of the 6-million new entrants to the labor market find jobs.[14] The high percentage of youth in Nigeria (more than 50% of all Nigerians are under 24) is an indicator that the country will struggle to create the jobs needed to absorb new entrants into the formal labor market.[15] Reforms that strengthen property rights would also benefit the Nigerian economy, where secure property titles exist for just 3% of the country's land area,[16] preventing businesses and the poor from using it as collateral to raise funds.

The implementation of and support for reforms at all levels of government must continue. Consistent reformers globally follow a long-term agenda and continually push forward. The top-ranked economy on the ease of doing business, Singapore, introduces reforms every year. Reforms are comprehensive, thus increasing the chances of success and impact. Moreover, consistent reformers are inclusive, involving all relevant actors and institutionalizing the reform effort. They also stay focused by setting specific goals and regularly monitoring progress. The federal and state governments in Nigeria can follow similar strategies to improve their regulatory environment and enhance the chances for success.

1. United Nations. 2009. *Human Development Report*. New York.
2. Nigeria is divided into six geopolitical regions: North West, North East, North Central, South West, South East, and South South.
3. The classification is based on city population and on state Gross Domestic Product (GDP). Population statistics are based on the 2006 Census published in the Official Gazette of Lagos on January 19, 2007. GDP statistics were obtained from the Canback Global Income Distribution Database, Canback Dangel. http://www.cgidd.com. Accessed on August 20, 2008.
4. *Nigeria's Vision 2020*: www.nv2020.org.
5. World Bank. 2005. *Doing Business 2006: Creating Jobs*. Washington, DC. World Bank Group.
6. World Bank. 2007. *Doing Business 2008*. Washington, DC. World Bank Group.
7. Ibid.
8. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC. World Bank Group.
9. There were also 4 negative reforms in Enugu, Abuja, FCT, Abia, and Bauchi –all of them due to fee increases for property transfers.
10. At the time of publication of *Doing Business 2010: Reforming through Difficult Times* the cost was 573.4% of income per capita.
11. World Bank. 2010. *Doing Business in Colombia 2010*. Washington, DC. World Bank Group.
12. World Bank. 2009. *Doing Business in India 2009*. Washington, DC. World Bank Group.
13. Bruhn, Miriam. 2008. "License to Sell: The Effect of Business Registration Reform on Entrepreneurial Activity in Mexico." Policy Research Working Paper 4538. Washington, DC. World Bank. The results were obtained after controlling for GDP per capita, number of economic establishments per capita, fixed assets per capita, and investments per capita in the benchmarked municipalities.
14. Kwakwa, Victoria, Adeola Adenikinju, Peter Mousley, and Mavis Owusu-Gyamfi. 2008. *Binding Constraints to Growth in Nigeria*. New York: Palgrave Macmillan.
15. Economist Intelligence Unit, Nigeria Country Profile 2009.
16. *Nigeria: Factbook*. CIA.

Starting a business

TABLE 2.1
Where is it easy to start a business—and where not?

1	Abuja, FCT (easiest)	14	Kaduna	27	Anambra
2	Kogi	15	Zamfara	28	Ebonyi
3	Kebbi	16	Edo	29	Rivers
4	Gombe	17	Jigawa	30	Osun
4	Plateau	18	Abia	31	Delta
6	Taraba	19	Kwara	32	Ekiti
7	Akwa Ibom	20	Adamawa	33	Imo
8	Lagos	21	Bauchi	33	Ondo
9	Niger	21	Enugu	35	Cross River
10	Benue	23	Sokoto	36	Ogun
11	Borno	24	Oyo	37	Bayelsa (most difficult)
12	Nasarawa	25	Katsina		
13	Yobe	26	Kano		

Note: The ease of starting a business is a simple average of the state rankings on the number of procedures, and the associated time and cost required to start a business. See the Data notes for details.
Source: Doing Business database.

Tuoyo has returned to Nigeria after earning an MBA from Harvard and is anxious to set up his own business. His mother has a weaving business that produces rugs, baskets, and various other crafts. Tuoyo's mother could not afford the high cost and hassle of business incorporation in Delta state and has operated for over twelve years from the family compound. Because her business is informal, she cannot advertise and must rely on verbal referrals from customers. She markets her crafts at local fairs and festivals, where her stand is always the busiest. Tuoyo plans to expand his mother's thriving business and to set up manufacturing outlets in the neighboring states to tap into new markets. For this to happen the business must be properly set up in each state. In Delta state, where Tuoyo's mother lives, it takes as long as 51 days to complete the registration procedures and costs 84.4% of income per capita.

In order to increase private-sector activity, the incorporation requirements must be easy, fast, and inexpensive. Research shows that the number of new firms increases and employment grows when business entry becomes easier. In Colombia, after the introduction of one-stop shops in six cities, new firm registration increased by 5.2%.[1] These findings are confirmed by additional studies in other countries (figure 2.1).[2]

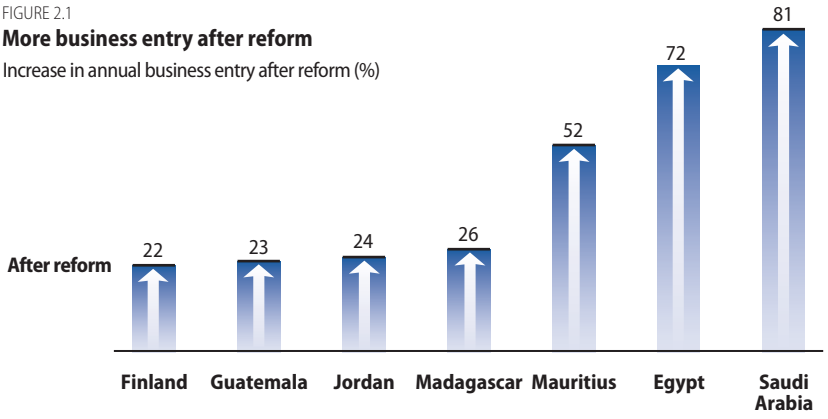
Across all 36 states, starting a limited liability company requires on average 9 procedures and 36 days and costs 77.7% of income per capita. The cost of starting a business in Nigeria is less than the regional average of 99.7% and, unlike many countries in Sub-Saharan Africa, Nigeria has abolished the minimum capital requirement. But starting a business is still a burdensome process, and in the area of business registration the country lags behind economies such as Mauritius and South Africa. In Mauritius, the top-ranked economy in Sub-Saharan Africa on business start-up, it takes only six days and costs 4.1% of income per capita. In South Africa it is 13 times cheaper and two weeks faster to register a company than in Nigeria. The more efficient procedures for business start-up in Mauritius and South Africa can be accounted for to some extent by automation and the use of information and communication technologies (ICT), but some other Sub-Saharan Africa countries are champions in business start-up without ICT involvement. This is the case of Rwanda, which has a completely manual and paper-based system, but provides for business start-up in only two steps and three days. The top ten performers on starting a business globally have no more than six procedures each and a cost of less than 5% of income per capita (figure 2.2).

There are marked differences across Nigeria in the time, cost, and number of procedures required to start a business. These variations stem from different performance levels of state branches of national agencies, such as the Corporate Affairs Commission (CAC) and stamp-duty offices, as well as variations in state departmental taxes and local licensing fees for business premises in each state. In Abuja, FCT, the top-ranked city for starting a business in the country, it takes only five procedures, 22 days, and 58.5% of income per capita to open a business. By contrast, in Bayelsa, it takes almost an extra month to complete the same incorporation process due to the high number of procedures required—two more than

What is measured?

Doing Business records all procedures that are officially required to start-up and formally operate a commercial or industrial small or medium-size limited liability company. These include obtaining the necessary licenses and permits and completing all required notifications, verifications, and registrations for the company and its employees with the relevant authorities. See the detailed description of the standard case in the Data notes.

FIGURE 2.1
More business entry after reform
Increase in annual business entry after reform (%)



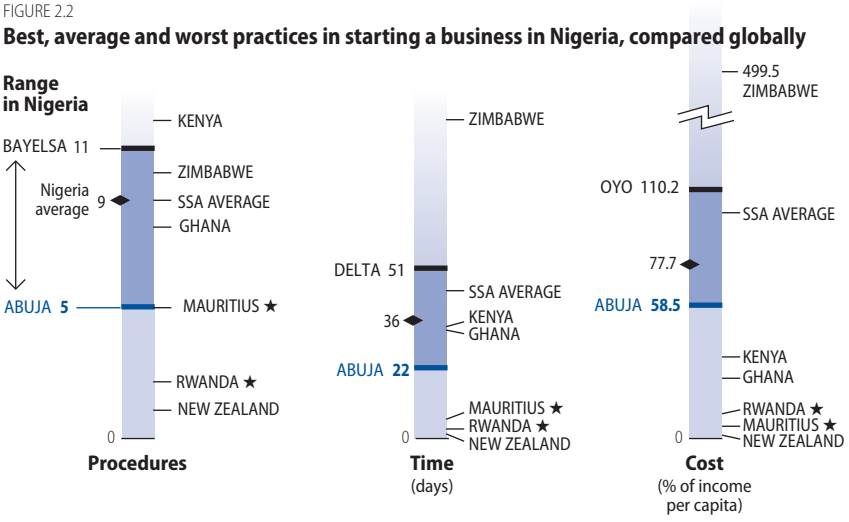
Source: Doing Business database.

the national average (table 2.1).

The number of procedures to start a business varies from five in Abuja, FCT to 11 in Bayelsa. Five procedures are federal and uniform across the country. These include the name-availability search, the stamping of incorporation documents, incorporation with CAC, and tax registration with the Federal Board of Inland Revenue Service (FIRS). The deposition of the CAC Declaration of Compliance form is also a federal requirement. This deposition can be made through a notary public or a commissioner of oaths in either a federal or state High Court. All other procedures are state requirements. Since Abuja, FCT is not a state, there is no separate requirement to register with state tax authorities. Companies there are required to register for income tax, value-added tax, and Pay-As-You-Earn (PAYE) in one integrated tax office. Moreover, new businesses in Abuja, FCT do not have to obtain a business premises permit from the municipality. Whereas in the northern parts of the country registering a business premise involves one visit to the Ministry of Commerce to submit the necessary forms and payment, in the South, several steps are necessary. For example, in Bayelsa, an entrepreneur must visit three different offices to register his business premises (figure 2.3). In addition to applying for the permit at the Ministry of Commerce and making the payment at a designated bank, the entrepreneur must present a proof of deposit at FIRS, where an official treasury receipt is issued. The Ministry of Commerce issues a business premises permit once official treasury receipts have been presented. In some states, such as Katsina, cash payments above a certain threshold cannot be accepted at the stamp-duty office.[3] As a result, before stamping the incorporation documents, the entrepreneur must first pay the stamp duty at a designated bank, adding one more step to the process.

The time needed to start a business ranges from 22 days in Abuja, FCT to 51 days in Delta. Across all states, the lengthiest procedure is registration with CAC. In 2008, CAC introduced electronic procedures for company name verification and registration. But the online system that would allow registration documents and payment to be processed electronically has not yet been fully implemented. Documents must still be filed physically, and although entrepreneurs can apply for business registration in their state of residence, all applications are processed at CAC headquarters in Abuja, FCT, where business registration certificates are issued for the whole country. There is a vast time lag between submission of documents to the local CAC office and approval from Abuja, FCT. Online name checking is now available, but is not working optimally because proposed company names must be verified through a central database maintained at CAC headquarters in Abuja, FCT. Due to unreliable Internet services, the time for such verification varies across states. The name search could take two to three days in most states, and as much as ten days in Rivers. Stamping the incorporation documents with FIRS is lengthy, especially in states without a stamp-duty office. It takes four days to stamp the registration documents in Bauchi and Kaduna, where FIRS maintains a stamp-duty office, and ten days in Bayelsa, where there is no local office. Since *Doing Business in Nigeria 2008* was published, additional stamp-duty offices have been opened in some states, bringing the total number of state stamp-duty offices to 16. For

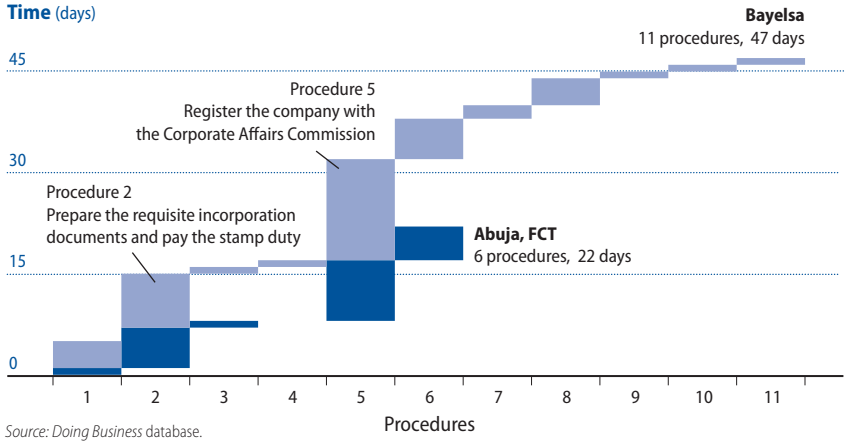
FIGURE 2.2
Best, average and worst practices in starting a business in Nigeria, compared globally



★ Mauritius is the 2010 top performer in Sub-Saharan Africa (SSA) on the ease of starting a business. Rwanda is the 2010 global top reformer overall.

Source: Doing Business database.

FIGURE 2.3
Starting a business—faster in Abuja, FCT than in Bayelsa



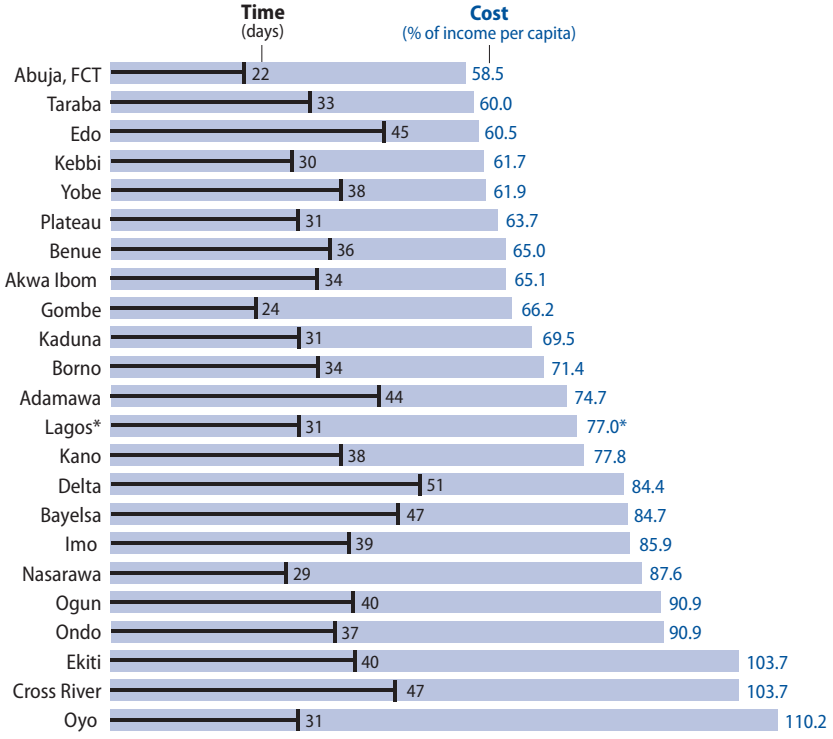
Source: Doing Business database.

the remaining 21 states, entrepreneurs must travel to the nearest state that has a stamp duty office.

There are significant variations in the cost of starting a business across the 36 states and Abuja, FCT (figure 2.4). The lowest cost is seen in Abuja, FCT and Taraba, at 60% of income per capita or less, while Oyo stands out as the most costly at 110%. The largest cost component is the professional fees charged by intermediaries. The *Companies and Allied Matters Act 1990* makes it mandatory for an entrepreneur to engage the services of professional intermediaries accredited by CAC.[4] These professionals typically handle all the steps involved in the registration process with CAC, but not the post-incorporation tax and business premises registrations. Best-practice economies, such as New Zealand, Canada and Singapore do not make such services mandatory. In Nigeria, lawyers are often used as incorporation agents without having their activity and registration fees regulated.[5] Lawyers fees for incorporation services are notably lower in states where the process of company registration is fastest and stamp-duty offices are available. Professional fees are compounded by additional costs for transportation and accommodation for lawyers who have to travel out of state. Another expensive component is the stamp duty, which is assessed on the nominal share capital. In 2008, the joint Tax Board revised the Stamp Duty Act and reduced stamp duty rates by half from 1.5% to 0.75% of share capital. The stamp duty commissioners now receive NGN1.50[6] for every 200 shares. However, this reduction has not been properly communicated to the public in all states, and incorporation lawyers in places like Delta and Bayelsa still charge the old rate in practice. The business premises registration fee set forth in the legislation[7] is either a fixed rate specified in an appendix to the Registration of Business Premises Edict or a variable rate based on the business activity, size of premises, urban or rural location, number of employees, and type and size of signage displayed. The Ministry of Commerce in Taraba and Yobe charges NGN 2,000 (US$ 15) and NGN 5,000 (US$ 37.50), respectively, for business premises registration for a medium-size company, while in Kwara and Delta states, the fees are as high as NGN 40,000 (US$ 300) and NGN 20,000 (US$ 150).

Since the publication of *Doing Business in Nigeria 2008*, business registration across Nigeria has improved, with the establishment of regional branches of CAC in all 36 states and the Federal Capital Territory. The introduction of standard forms for the memorandum and articles of association (MEMART) has simplified

FIGURE 2.4
Time and cost to open a business in selected Nigerian states



* At the time of publication of *Doing Business 2010: Reforming through Difficult Times* the cost was 76.7% of income per capita.
Source: Doing Business database.

the registration process by shortening the charter documents and preventing errors. The Integrated Tax Office for corporate income tax and VAT is functioning well in all parts of the country. Consultations are ongoing between FIRS and states and local government councils to implement the full provisions of Section 8(q) of the Federal Inland Revenue Service (Establishment) Act, 2007 for issuance of a unique taxpayer identification number (TIN), which seeks to standardize the TIN across Nigeria. Whereas in most states a separate TIN is issued by both FIRS and the State Board of Internal Revenue (SBIR), a few states, such as Niger, are in the process of linking their SBIR database to FIRS in order to issue a single TIN to new businesses. The One Stop Investment Centre (OSIC), created by the Nigerian Investment Promotion Commission and located in Abuja, FCT, is now fully operational. Similar one-stop shops have recently been launched in several states, such as Ogun, Delta, and Cross River, to facilitate company start-up. So far, these state investment centers, unlike the federal OSIC, have been unsuccessful in bringing all federal agencies relevant to starting a business together in one location.

To keep up with the fast pace of business start-up reforms across the region, Nigeria must continue reforming. As a member of the Corporate Registers Forum,[8] Nigeria can learn from the experience of other federal countries, such as Canada and Australia, and adopt some of their good practices. Although all states would benefit from federal reforms, each state should also improve state-level procedures associated with starting a business. The reform recommendations from *Doing Business in Nigeria 2008* still require attention, as there have been no significant reforms since. Several federal reforms are still in the pipeline. The digital filing and electronic system for company registration proposed by CAC in June 2005 has yet to be implemented. The one-stop investment centers introduced at the state level have not been staffed with representatives from the relevant agencies and have therefore failed to have a real impact. To be effective, officials at one-stop shops should be given decision-making power to act on behalf of their respective agencies. Without it, delays will continue, as the documents travel to agency headquarters and back. It is also important that these one-stop shops be available not only for foreign businesses but for local entrepreneurs as well. Many African countries have had success consolidating company start-up at a single access point. In Rwanda, all relevant officials, forms, and payments were recently consolidated under one roof. Togo is another good example, where the establishment of an operational one-stop shop eliminated six procedures for starting a business.[9]

WHAT TO REFORM?

EXPEDITE REFORMS TO UNIFY THE REGISTRATION PROCESS AT A SINGLE ACCESS POINT

The requirement to visit several offices when setting up a new business is a major obstacle that continues to negatively affect business registration. Unifying the registration processes would reduce the time by anywhere from five days to two weeks, depending on the state. The procedure for stamping the incorporation documents with FIRS poses a great burden to business registration and can easily be resolved. If this procedure is primarily aimed at generating revenue for the government, a simpler alternative is to have CAC collect stamp-duty fees, along with other registration fees, and later transfer them to FIRS. This is in line with the recommendations of *Doing Business in Nigeria 2008*. Jordan and Egypt have transferred tax registration to the registrar, thus streamlining and speeding up the process, which now takes only one or two days.[10]

MONITOR AND EVALUATE THE PERFORMANCE OF CAC REGIONAL OFFICES

At present, the state CAC offices function as clearing houses. Incorporation papers are filed through them, but the actual processing of applications is handled in Abuja, FCT. The time needed to transmit incorporation documents from each state office to headquarters and to sort through piles of incorporation certificates received from headquarters significantly delays the business registration process. Entrepreneurs demand quick turnarounds across the country and one way to achieve this is to grant state CAC offices the autonomy to handle applications and issue certificates. Providing the zonal CAC branches with the same discretion, mandate, and functionality as headquarters will cut down registration time and eliminate delays.

MAKE THE REQUIREMENT TO USE PROFESSIONAL INTERMEDIARIES FOR INCORPORATION OPTIONAL

The requirement to use accredited intermediaries to handle business registration is outdated. It adds to the complexity and cost of business registration. Professional intermediary services are now optional under Samoa's new Companies Act and the Nigerian government can implement a similar reform by amending its Companies and Allied Matters Act. A convenient, fast, and simple alternative would be to fully automate the business registration process, so that entrepreneurs can handle the process on their own. Best-practice economies in business start-up, such as Canada and the United Kingdom, currently implement online incorporation system. New business owners no longer have to work through the red tape of various agencies and they can save money by avoiding accountants' or lawyers' fees.

IMPROVE OR REMOVE BUSINESS PREMISES REGISTRATION

Nigerian entrepreneurs must pay state governments a fee for a permit to operate business premises within the state. Registration is expensive and creates a burdensome administrative bottleneck. States should consider the purpose behind this mandatory post-registration procedure. If it is intended to generate revenue, states might consider consolidating registration with other existing revenue streams. Where permit fees are affordable and the procedure is fast and simple, new businesses are more likely to comply with registration requirements. In Northern states, such as Kebbi and Zamfara, the business premises permit can be obtained in one day, at a single-access point within the Ministry of Commerce, against a small flat fee. By contrast, over two-thirds of the states require multiple steps for registration and have no fee schedule. States might reform further and eliminate this permit all together if it serves no particular regulatory function.

1. Cardenas, Mauricio, and Sandra Rozo. 2007. "La informalidad empresarial y sus consecuencias: Son los CAE una solucion?" Documento de Trabajo 38. Bogotá, Colombia: Fedesarrollo.
2. World Bank. 2008. *Doing Business in Egypt 2008*. Washington, DC. World Bank Group.
3. The threshold for cash payment is up to NGN 5,000 (US$ 37.50).
4. Companies and Allied Matters Act, Cap. 59, Laws of the Federal Republic of Nigeria, 1999.
5. *Doing Business in Nigeria 2008* did not take into account these professional charges in the cost calculations for the 11 states measured.
6. Equivalent to US$ 0.011.
7. Registration of Business Premises Edict No. 20 of 1973.
8. The Corporate Registers Forum is an international not for profit organization for administrators of corporate and securities registers. http://www.corporateregistersforum.org.
9. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC. World Bank Group.
10. World Bank. 2009. *Doing Business in India 2009*. Washington, DC. World Bank Group.

Dealing with construction permits

TABLE 3.1
Where is it easy to deal with construction permits—and where not?

1	Jigawa (easiest)	14	Borno	27	Nasarawa
2	Sokoto	15	Katsina	28	Ebonyi
3	Kano	15	Rivers	29	Akwa Ibom
4	Adamawa	17	Cross River	30	Abia
5	Kwara	18	Zamfara	31	Anambra
6	Kogi	19	Ondo	32	Imo
7	Bauchi	20	Delta	33	Kaduna
8	Kebbi	21	Taraba	34	Enugu
9	Osun	22	Yobe	35	Abuja, FCT
10	Niger	23	Oyo	35	Lagos
11	Benue	24	Plateau	37	Ogun (most difficult)
12	Ekiti	25	Bayelsa		
13	Gombe	26	Edo		

Note: The ease of dealing with construction permits is a simple average of the state rankings on the number of procedures, and the associated time and cost required to build a warehouse. See the Data notes for details.

Source: Doing Business database.

Riding a wave of oil-driven prosperity, Nigeria has experienced rapid urbanization in the last thirty years. The country's urbanites now account for 48.2% of the population, compared to 23.4% in 1975.[1] Cities have struggled to absorb this large rural exodus and the resultant housing shortages, traffic congestion, and environmental degradation. In addition, many of the buildings erected to accommodate newcomers have used substandard construction materials and fallen short of construction regulations.[2] As a result, building-related incidents have multiplied. According to the Nigerian Institute of Building, 84 structures have collapsed in the last 20 years in Nigeria, claiming more than 400 lives.[3]

A good building code is an essential tool to ensure sustainable urban development. But striking the right balance between too little or too much regulation is challenging. A well-balanced building code must formulate and enforce strict construction standards to protect public safety, while remaining efficient and affordable. Sixty to eighty percent of construction projects in developing economies are undertaken without a permit because the approval process is too complex or oversight too lax.[4]

"When you want to build, you simply go ahead and do it," confesses Olasunkamni, a Nigerian real estate developer. "It is such a hassle to obtain all certificates, receive all inspections, pay a fee for this and a bribe for that, that only big construction companies bother to comply with the letter of the law." Dealing with construction permits is indeed cumbersome and costly in Nigeria. A construction company based in Lagos spends 350 days on 18 procedures to obtain all building approvals and utility connections, at a cost of 580% of income per capita.[5] Lagos ranks 162nd of 183 economies, behind Rwanda (90th) and Kenya (34th). In Hong Kong, China, the best performer for this indicator, a construction company spends only 67 days and 18.7% of income per capita on 7 procedures (figure 3.1).

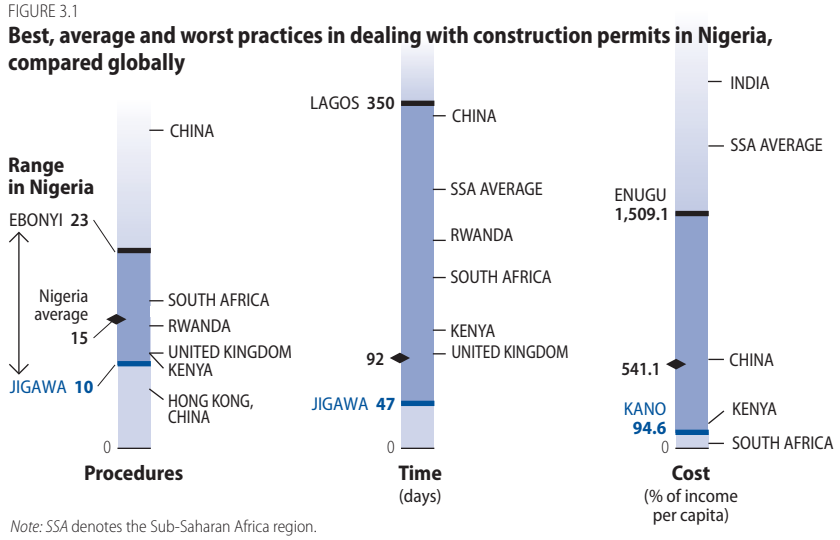
To streamline the process and improve compliance, the Nigerian government drafted a new National Building Code in 2006, which sets out minimum construction standards. The code establishes a strict schedule of inspections to be conducted at specific stages during construction (setting out, foundation, floor level, and so on), and requires every project to obtain a certificate of completion after construction.

Although ratified by the Federal Executive Council, the Building Code has yet to be adopted and implemented at the state level through the amendment of the local Urban and Regional Planning Laws. Some states, such as Lagos; Abuja, FCT; Abia; and Ebonyi have already enforced several provisions of the code, such as requiring new inspections and certificates of completion. Others have not. These discrepancies, combined with the persistence of old local building bylaws and differences in local practices, create wide local variations in the requirements to be met when dealing with construction permits.

What is measured?

Doing Business looks at construction permits as an example of the licensing regulations that businesses face. This indicator measures the procedures, time, and cost needed to get the required permits to build a commercial warehouse, hook it up to basic utilities, and formally register it. The recorded procedures include submitting project documents (building plans, site maps, etc.); obtaining clearances and permits; passing inspections; and obtaining connections from electricity, water, sewerage, and telephone providers. The time and cost needed to complete each procedure under normal circumstances are calculated. All official fees are included. The case study assumes that the warehouse will be used for storage of nonhazardous goods and is located in the peri-urban area of the benchmarked location. See the detailed description of the standard case in the Data notes.

FIGURE 3.1
Best, average and worst practices in dealing with construction permits in Nigeria, compared globally



Note: SSA denotes the Sub-Saharan Africa region.
Source: Doing Business database.

As reported in *Doing Business in Nigeria 2008*, building a warehouse is faster and cheaper in the north than in the south. It takes on average 74 days and 514% of income per capita to deal with construction permits in the 19 northern states and the capital surveyed, against 114 days and 573% of income per capita in the 17 southern states. Local variations, however, go beyond the north/south divide, and can be observed at the state level. It is easier for construction companies to obtain all construction-related permits and utility connections in Jigawa, Sokoto, Kano, and Adamawa than in Abuja, FCT; Lagos and Ogun (table 3.1). Jigawa, the best-performing state for this indicator, would rank 30th out of 183 economies, ahead of Saudi Arabia (33rd) and Switzerland (36th).

There are large variations in the number of requirements across states. To obtain all construction-related permits and utility connections, a construction company must complete only 10 procedures in Jigawa compared to 23 procedures in Ebonyi. All states require a building permit, but the procedures that precede and follow obtaining this document differ.

In 32 of the states surveyed, construction companies must obtain one or more certificates before applying for a building permit. These certificates might include an environmental impact assessment, a land use clearance, which verifies that the project is consistent with the local master plan, a site analysis report, a fire safety report, and other types of authorizations. In the remaining five states (Jigawa, Kwara, Kano, Benue, and Sokoto), no such preliminary approvals are needed for simple structures with low environmental impact, such as a warehouse storing books.

Procedures that follow the building permit also differ from state to state. Development authorities conduct 12 inspections during construction in Ebonyi and 7 in Lagos, but none in Adamawa and Gombe. Moreover, only 16 states require a certificate of completion. Although the new Building Code lays out a precise set of inspections and requires a certificate of completion, enforcement depends on staff capacity. Where there are no qualified inspectors, the authority relies on the supervising architect to ensure that the construction respects the plan's specifications, and only conducts a few ad hoc visits to ensure that a building permit has been obtained.

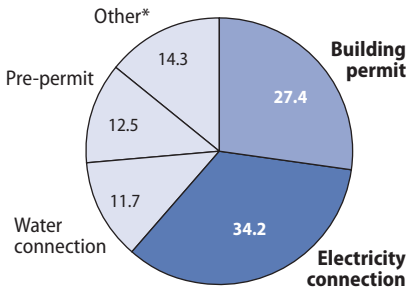
Local variations in the time needed to deal with construction permits are substantial. Completing all procedures can be as fast as 47 days in Jigawa and 52 days in Kwara or as long as 148 days in Rivers or 350 days in Lagos. These differences are driven by two main bottlenecks: obtaining a building permit and getting a permanent electricity connection.

Across Nigeria, obtaining a building permit represents, on average, 27.4% of the total time spent on the construction-permit process (figure 3.2). Behind this number lie different local realities. The time it takes for the authority in charge to issue the permit varies from 4 days in Yobe and 5 days in Adamawa to 90 days in Cross River.

The efficiency of the issuing authority depends on two factors: the workload of the office and the enforcement, or not, of a statutory time limit. Administrations are more efficient when they are sufficiently staffed to handle all applications and entrusted with a clearly defined task. Otherwise, office clerks find themselves overworked, applications pile up, backlogs appear, and delays ensue. City size may be a factor. The four most efficient permit-issuing authorities are located in cities with populations below the 36-state average.[6] But size is only one side of the coin. Administrations that focus solely on reviewing applications and issuing building permits are more efficient than those burdened with additional activi-

FIGURE 3.2
Obtaining a building permit and electricity connection is time consuming

Share of total time to deal with construction permits , Nigeria average (%)



*Includes inspections and certificate of completion procedures.
Source: Doing Business database.

TABLE 3.2
Five of the 11 states measured in 2008 reformed dealing with construction permits

	Statutory time limit / silent is consent	Approval committee	Improved transparency of information
Kano	✔		
Anambra	✔		
Enugu	✔		
Ogun	✔		✔
Abuja, FCT		✔	

Note: This table records reforms that occurred between June 2008 and January 2010.

Source: Doing Business database.

ties. A good example is Ondo, where the Ministry of Physical Planning and Urban Development recently created two new departments and narrowed the tasks of the existing ones. The Development Permit Department now focuses on issuing permits, while the other departments[7] take care of the physical planning, master planning, monitoring, enforcement, and so on. As a result, a construction company in Ondo can obtain a construction permit in only 14 days.

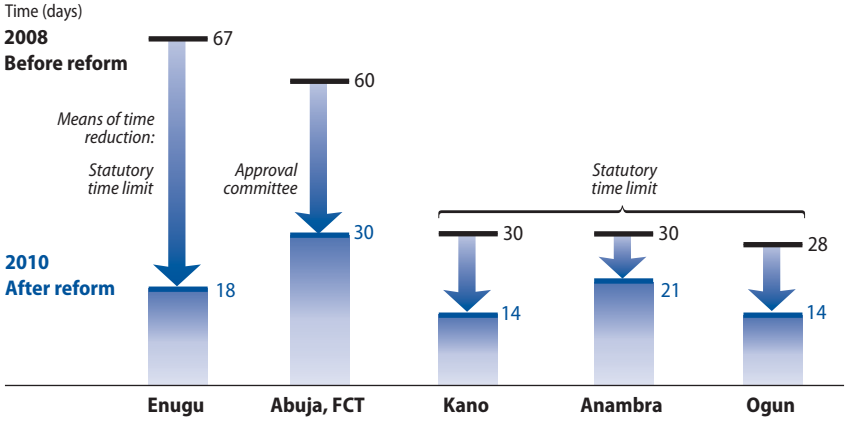
States that have an enforced statutory time limit for processing applications tend to issue permits in less time than those that do not. When local officials in charge of issuing permits are not encouraged to complete their work within a certain time frame, they may be tempted to procrastinate or create artificial delays.

Five of the eleven states surveyed in *Doing Business in Nigeria 2008* have since developed and enforced statutory time limits, resulting in substantial reductions in time (table 3.2). In Ogun, the Urban and Physical Planning Board has introduced a two-week statutory time limit and asked its officers to produce weekly activity reports in order to assess their performance. Combined with a fast track for simple applications, such as for residences and small buildings, this reform has halved the time needed to obtain a building permit in Ogun, from 28 days in 2008 to 14 days in 2010. Kano and Anambra have implemented similar reforms and seen their construction permit time shrink from 30 to 14 days and 30 to 21 days, respectively. Enugu has had a statutory time limit in its Urban Planning Law since 1992. Yet it never enforced it until recently, under compulsion by a new government determined to "make things work," local architects say. As a result, Enugu's Town Planning Authority now issues the building approval in 18 days, compared to 67 days in 2008. Abuja's Development Control Department imposes no limits, but organizes weekly approval committee meetings to review applications. If approval is granted, the permit is issued in one month, faster than in 2008, when it took 60 days (figure 3.3).

The single biggest bottleneck is the electricity connection, which represents 34.2% of the total time (figure 3.2). Getting a warehouse wired to the power grid can take as little as 14 days in Bayelsa and Yobe, and as long as 9 months in Lagos. Why such differences? The Power Holding Company of Nigeria (PHCN), the country's main power provider, has recently introduced a new three-phase prepaid meter to replace the current credit meter. In order to avoid abuses and non-payment, the prepaid meter requires the purchase of a card of fixed value prior to consumption. Once empty, the card must be refilled. The supply of prepaid meters has been unable to keep up with demand in several states, however, leading to substantial delays. Therefore, getting connected to electricity is faster in states where PHCN does not yet require the use of prepaid meters (Yobe, Zamfara, Kogi, and Abia) and where the supply of prepaid meters is sufficient (Taraba). For states where there are not enough meters, the wait can stretch from two months to one year.[8]

The cost of dealing with construction permits also shows local variations, from 95% of income per capita in Kano to 1,509% in Enugu. Why? First, the cost of a building permit ranges from NGN 4,500 (US$ 34) in Adamawa to NGN 975,450 (US$ 7,324) in Abuja, FCT. Bigger, more developed cities, such as Lagos and Abuja, where development projects are rife and the price of land higher, can charge larger fees. Smaller cities, on the other hand, have more incentives to encourage real-estate development. The

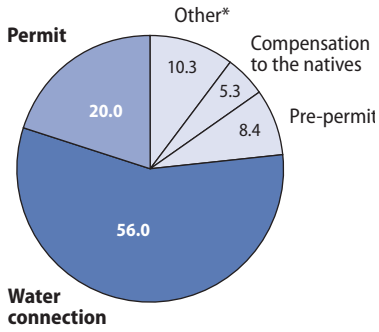
FIGURE 3.3
Five of the eleven states measured in 2008 cut the time for building permit or building plan approval



Note: Reforms occurred between June 2008 and January 2010.
Source: Doing Business database.

FIGURE 3.4
High water connection costs

Share of total cost to deal with construction permits, Nigeria average (%)



* Includes electricity and phone costs.
Source: Doing Business database.

capital of the brand new state of Jigawa, Dutse, is a small semirural city with few buildings. Jigawa's Ministry of Land, at four stories, is the highest edifice in the city. To encourage real-estate development, the Dutse Capital Development Authority keeps its requirements simple and its permit fees relatively low, at NGN 50,000 (US$ 375).

Obtaining a water connection is the most expensive component in the overall cost (figure 3.4). In the presence of a reliable public delivery system, such as in Cross River; Abuja, FCT; Sokoto; and Kano, connecting a warehouse to water costs between NGN 2,000 (US$ 15) and NGN 70,000 (US$ 526). When the public water system is not dependable, however, construction companies have no choice but to drill a borehole, which is more expensive. The cost of boreholes varies widely depending on how far and deep the aquifer source is and how rocky the soil is, among other factors. In the capital of Delta state, Warri, located 6 meters above sea level and endowed with soft soil, drilling a borehole costs only NGN 200,000 (US$ 1,500). In Enugu, where soil is filled with coal, companies must drill their boreholes nine miles from the city, at a cost of NGN 2,000,000 (US$ 15,000), and bring water to their site by truck.[9]

With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in 10 states (Abia, Akwa Ibon, Anambra, Bayelsa, Delta, Edo, Enugu, FCT, Imo, and Ogun), 9 of them located in the south, construction companies building an edifice must pay compensation[10] to the natives and hire some of them as masons or security guards on the site.

Some states are in the process of implementing additional reforms. Lagos District Office now requires its field officers to carry a camera when conducting their first site inspection. The photos—proving that the plot is in fact empty—are then attached to the application, with no need to conduct further pre-construction inspections. In addition, in October 2009, the governor of Lagos issued an executive order, where he delegates the power to issue the construction permit to lower levels of the administration, depending on the complexity of the project. While buildings of 7 floors and higher must obtain approval from the governor himself, buildings of less than two stories need only obtain the approval of the local district office.

The executive order also ensures that information is more available to the public. Entrepreneurs can now obtain the Lagos Building Permit Approval Handbook, which contains all building regulations, at no charge. The handbook used to cost NGN 50,000 (US$ 375) and require entrepreneurs to submit property title documents. Ogun state has taken a similar step toward transparency. Abeokuta's Bureau of Urban and Physical Planning holds a "town planning half an hour" every Thursday on Ogun state capital television to address development-related issues and complaints. Abeokuta also organizes zonal meetings with community-development associations to inform landowners and developers of the procedures to follow to obtain a construction permit. Leaflets that describe the procedures to undertake, the documents to submit, and the applicable fee schedules are also available.

WHAT TO REFORM?

Doing Business in Nigeria 2008 recommended introducing a fast track and time limits for processing permit applications, lowering the permit fee, and making information more readily available. These recommendations are still valid for many states. Some additional recommendations also apply.

INTRODUCE TIME LIMITS AND FAST TRACK PROCEDURES TO IMPROVE THE EFFICIENCY OF PERMIT AUTHORITIES

In construction, speed matters to entrepreneurs as well as to the government. In Nigeria, building companies in several states wait up to three months to obtain a building permit. To improve the efficiency of the permit-issuing authorities, Nigerian states could emulate the good practices set by some of their peers, such as the statutory time limits enforced by Ogun, Kano, Enugu, and Anambra, the administrative restructuring undertaken by Ondo, and the improvements in transparency of information made by Ogun, the state that has reformed the most in construction permits.

SIMPLIFY PRE-PERMIT PROCEDURES

Before applying for a building permit, construction companies may undergo up to five procedures—obtaining an environmental impact assessment, site analysis report, land use clearance, fire safety report, and preliminary approval. Adding procedures adds to the complexity and cost of the building-approval process. In 2006, Hong Kong, China, faced the same problem. To streamline the permit process, Chinese authorities set up a cross-sector consultation team to identify redundant procedures. As a result, Hong Kong eliminated eight steps and cut the time needed for construction permits by five weeks.[11]

Nigerian states could follow suit. Pre-permit procedures are important to ensure that construction respects safety

and planning standards. Rather than forcing entrepreneurs to approach multiple authorities, Nigerian states could streamline a number of these procedures within the building-permit review process. Public officials could conduct the site analysis and environmental assessment themselves while processing the application for the building permit or coordinate with fire authorities to conduct joint safety inspections.

Moreover, environmental assessment should focus on high-risk constructions, such as dams and heavy industries. Dutse, Kano, Ebonyi, Gusau, Sokoto, Delta, Anambra, and Kwara already exempt simple constructions from this requirement.

LOWER FEE FOR BUILDING PERMITS

Several states have some of the world's highest fees for construction permits. Such high fees encourage entrepreneurs to build illegally or—when the fees are based on building size, which is often the case in Nigeria—submit fake plans to lower the cost. In order to fight informal construction and ensure compliance with safety standards, some state governments resort to more random inspections, which are burdensome for the entrepreneur and costly to administer. An alternative would be to make the fees more affordable.

Such a reform should take into consideration the sources of revenue on which state governments rely. If high permit fees compensate for a lack of fiscal resources in other areas (property taxes, for example, administered at the state level), lowering the fees might require a broader overhaul of the local tax structure.

IMPLEMENT THE NATIONAL BUILDING CODE AT THE STATE LEVEL

While Nigerian state laws often require several inspections during the construction process, Denmark requires only one. This is not to say that buildings in Denmark are less safe. In Nigeria, many of the inspections required are not conducted, in practice, or are conducted at random and motivated by rent-seeking intentions. Implementing the new Building Code, would replace random visits with a set schedule of inspections occurring at critical stages of the construction process. Though adopted at the federal level, the new code must still be implemented at the local level through the amendment of state urban and regional planning laws. Local development authorities should also increase staff capacity to ensure that these inspections are conducted by qualified professionals.

FACILITATE CONNECTION TO UTILITIES

In the majority of states, electricity connection is the most time-consuming, and water connection the most expensive procedure. The Power Holding Company of Nigeria (PHCN) should ensure that prepaid meter supplies meet demand, to limit delays, or allow companies to function with a credit meter while supply issues are addressed. In addition, state authorities should improve their water delivery systems to increase the reach and reliability of their networks.

1 Economist Intelligence Unit. Country profile, Nigeria 2009. The Economist. London.

2 According to the Minister of the Federal Capital Territory Administration (FCTA), 346 structures violated the building code in Abuja in 2008, in This Day newspaper, *"FCTA Sanctions Owners of 346 Illegal Structure*", September 15, 2008.

3 Agence France Presse. 2006. *Nigeria Approves Building Code*. As many cases go unreported, the real figure is probably higher.

4 Moullier, Thomas. 2009. "*Reforming Building Permits; Why Is It Important and What Can IFC Really Do?*" International Finance Corporation. Washington, DC. World Bank Group.

5 At the time of publication of *Doing Business 2010* the cost was 573.4% of income per capita.

6. The population average across the 36 cities surveyed, excluding Lagos, is 580,214 inhabitants. Population statistics are based on the 2006 Census published in the Official Gazette of Lagos on January 19, 2007.

7. Ondo's Ministry of Physical Planning and Urban Development counts with seven departments: development permit, monitoring and enforcement, physical planning, urban renewal, master and local planning, planning research and statistics, and administration.

8. While waiting for a meter, it is common practice to sign a provisional contract based on an estimated consumption rate to connect the warehouse to electricity.

9. To control for the variation of estimates due to factors like geographical location, technology used to drill, and so on, the data apply an average of NGN 500,000 (US$ 3,754) across 30 cities. Only cities identified as outliers, such as Warri (located 6 meters above sea level), Zamfara (rocky terrain), Maiduguri (water located deep in the soil), Enugu (coal soil), Lagos and Port Harcourt (water easily available), and Osun (irrigated by the Osun River) show variations compared with the average.

10. The amount of the fee varies widely depending on the company's negotiation skills, the value of the site, the political context, the connections between the developer and the natives, and the number of native tribes in the area. As such, to control for the large variance in the estimates, an average of NGN 200,000 (US$ 1,502) has been applied to all 10 cities.

11. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC. World Bank Group.

Registering property

TABLE 4.1
Where is it easy to register property—and where not?

1	Gombe (easiest)	14	Enugu	25	Imo
2	Borno	15	Kwara	27	Lagos
3	Zamfara	16	Kebbi	28	Delta
4	Kano	17	Akwa Ibom	29	Ekiti
5	Jigawa	18	Nasarawa	30	Abia
5	Taraba	19	Niger	30	Anambra
5	Yobe	20	Cross River	32	Edo
8	Katsina	21	Ebonyi	33	Oyo
9	Abuja, FCT	21	Sokoto	34	Ondo
10	Kogi	23	Bayelsa	35	Ogun
11	Benue	23	Kaduna	36	Osun
12	Bauchi	25	Adamawa	37	Rivers (most difficult)
13	Plateau				

Note: The ease of registering property is a simple average of state rankings on the number of procedures, associated time and cost (measured as a percentage of the property value) required to register a property. See Data notes for details.

Source: Doing Business database.

Izigbe from Benin, in Edo state, has been manufacturing reproductions of the famous ivory pendant mask for eight years. Her business grew rapidly as tourists were interested in reproductions of this traditional mask, which can be found in museums in both Edo and the United Kingdom. She now has dozens of employees. Izigbe needed more space to accommodate her growing business, so she decided to invest in a warehouse on the outskirts of the city. Her plans came to a halt, though, when she realized that she would have to pay 27.6% of its value to register the property title under her name. So Izigbe did what many entrepreneurs in Nigeria do: she settled for a power of attorney showing that the current owner transferred the right to use the property to her. This option, however, does not provide full legal security. It also does not allow her to use the property as collateral for a loan to expand her business further.

Entrepreneurs like Izigbe are aware that an efficient property registration system has real benefits. In fact, property registration should be a priority in every society. When there is a formal deed, entrepreneurs can use their immovable assets to obtain credit and grow their businesses. A recent study in Peru suggests that property titles are associated with a 10% increase in loan approval rates for construction materials.[1] Indeed, banks in countries lacking adequate creditor information prefer land titles as collateral, since land is difficult to move or hide.[2] Property registration also benefits governments, as more properties registered translate into greater tax revenues.

In the past 5 years, *Doing Business* has recorded 125 reforms in property registration in 93 economies, one third of them in Sub-Saharan Africa. However, registering property in Nigeria continues to be a slow, expensive, and burdensome process. On average, in the 36 Nigerian states and Abuja, FCT, an entrepreneur would have to go through 12 procedures, wait 82 days, and pay 16% of the value of the property to have it registered in the Lands Registry. On a global scale, that makes registering property in Nigeria more expensive than in 170 of 183 economies measured by *Doing Business* and lengthier than in 139 countries. This puts Nigeria in the last place on the global registering property ranking.[3] The best performer, Saudi Arabia, registers property in two days, free of charge. However, Nigeria does not need to look that far for lessons on how to improve registering property.

In fact, Nigeria does not even have to look beyond its borders for good practices. Some Nigerian states perform much better than others. And things are improving: 6 of the 14 reforms implemented by states measured in 2008 are in the area of property registration. Nigeria's top performing states provide good examples from which others could learn.[4] If all states were to adopt the existing best practices from across the country and register property in 8 procedures as in Kwara and 14 days like in Borno for a cost of 5.2% of the value of the property as in Yobe, then Nigeria would climb 89 positions, from 178 to 89, outperforming France and Italy.

Despite the fact that registering property falls within the same legal framework across Nigeria, practice varies greatly among states. Registering

What is measured?

Doing Business records the sequence of procedures, time, and costs necessary for a business to purchase property from another business and to transfer the property title to the buyer's name so that the purchasing business can use it as collateral in taking out loans or sell it to another business. Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf. It is assumed that the property is registered and free of title dispute. See the detailed description of the standard case in the Data Notes.

TABLE 4.2
Six of the 11 states measured in 2008 reformed property registration

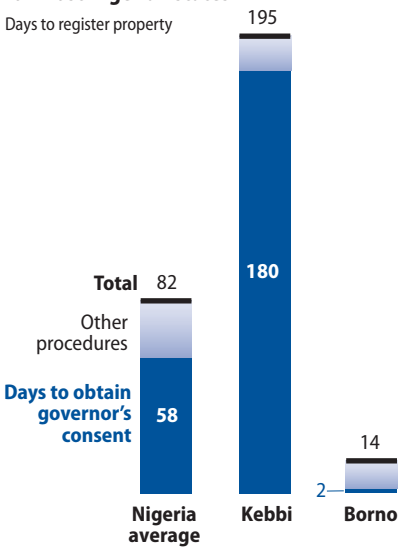
	Reduction of fees	Elimination of fees	Promotion of electronic services	Speeding up/delegation of governor's consent
Abia	✗		✔	
Abuja, FCT	✗			
Anambra	✔	✔		
Bauchi	✗			
Enugu	✗			✔
Kano				✔
Ogun			✔	
Sokoto				✔

Note: This table records reforms that occurred between June 2008 and January 2010.
✗ indicates a negative reform.
Source: Doing Business database.

property is easiest in Gombe and most burdensome in Rivers state, where it takes 13 procedures, 201 days, and 23.2% of the property value to transfer a title (table 4.1).

Registering property across Nigerian states follows several basic stages—searching the property title for encumbrances, signing the deed of assignment, obtaining the governor's consent, assessing and paying fees, and registering the title under the buyer's name. In addition to these, states have added their own requirements. As a result, the number of procedures varies from 8 in Borno, Gombe, and Kwara to 17 in Oyo. The variations are due to the fact that some states have managed to merge procedures or establish payment points conveniently located within the respective institutions, while others have not. Kogi and Gombe, for example, have merged three procedures—assessing the deed at the Federal Inland Revenue Service (FIRS), paying the stamp duty, and stamping the deed—into one by allowing applicants to pay the stamp duty at FIRS directly, rather than at a commercial bank. In Lagos, five different fees can be paid at the same time: the consent fee, registration fee, stamp duty, neighborhood improvement charge, and capital gains tax. On the other hand, in Lagos, Taraba, and Nasarawa, the applicant is required to submit a certified true copy of the title document, even if the seller has the original title. This adds at least one procedure. In Oyo, the state with the highest number of procedures, the applicant has to visit the Ministry of Lands six times to submit or pick up a variety of documents; go to the bank six times to pay various fees; receive an evaluation inspection from the Ministry of Lands; and obtain a valuation report from an independent valuer. This back-and-forth adds up to a total of 17 procedures, 10 procedures more than the Sub-Saharan regional average.

FIGURE 4.1
Obtain governor's consent—the biggest bottleneck in property registration for most Nigerian states



Source: Doing Business database.

The average time to transfer a property title among the 36 Nigerian states and the capital is 82 days—only slightly shorter that the longest time needed to register property in a Kenyan city (Garissa, 87 days).[5] But the time needed varies greatly from state to state. In Borno it takes two weeks to transfer a property title, while in Anambra it takes seven months. The time is largely dependent on a single requirement: the state governor's consent. In accordance with the 1978 Land Use Act, all land within the territory of a state is vested with the governor, making his consent mandatory for the legal validity of any transfer of landed property. On average, waiting for the governor's consent accounts for 70% of the total time needed to register property. Depending on whether or not this power has been delegated by the governor to a Ministry of Lands official, however, the delay varies from two days in Borno to six months in Kebbi (figure 4.1).

Registering property is further complicated by the inefficiency of some of the government agencies responsible for registering property. Reportedly, an applicant has to make many follow-up calls and personal visits in order to move the file from one desk to another. Otherwise, as an entrepreneur from Yobe says, the file would just "sit there." Moreover, applicants are often obliged to perform themselves what should be internal procedures. Incomplete applications are sometimes accepted just to secure the payment of application fees. Lagos was confronted with this issue and decided to introduce a checklist for all application requirements at the initial intake of the file. The Lands Bureau also requested that applicants' contact information be collected for faster follow-up. Simple measures can make the difference. Adding to the hassle is the necessity to pay multiple fees at various points at commercial banks, then wait each time for the respective agency to receive payment

confirmation before the process is allowed to proceed. Ogun state addressed this problem by introducing a system that allows applicants to pay fees using an ATM card at a "point of payment" terminal located within the Ministry of Lands. This reform decreased the total time needed to register property in Ogun by 13 days compared to two years ago.

The average cost of registering property is 16% of property value. The cost ranges from 5.2% in Yobe, which is comparable to Germany, to 33.6% in Ondo, which is more expensive than the Syrian Arab Republic, the worst global performer (figure 4.2). The cost is a sum of several fees: the consent fee, registration fee, stamp duty, and legal fees. These fees are required in all states, but their amounts differ greatly from state to state. For example, the registration fee is a flat fee of NGN 2,500 (US$19) in Akwa Ibom, while in Borno and Sokoto it is set at 5% of the property value. The consent fee in Ekiti is 15% of the value of the property, while some states, like Kano and Kaduna, have eliminated the consent fee altogether. Legal fees vary from 1% of the property value in Gombe to 10% in most other states. At 10%, the cost of hiring a lawyer accounts for half of the total costs. While hiring a lawyer is not mandated by law, it is a common practice, which increases the costs substantially.

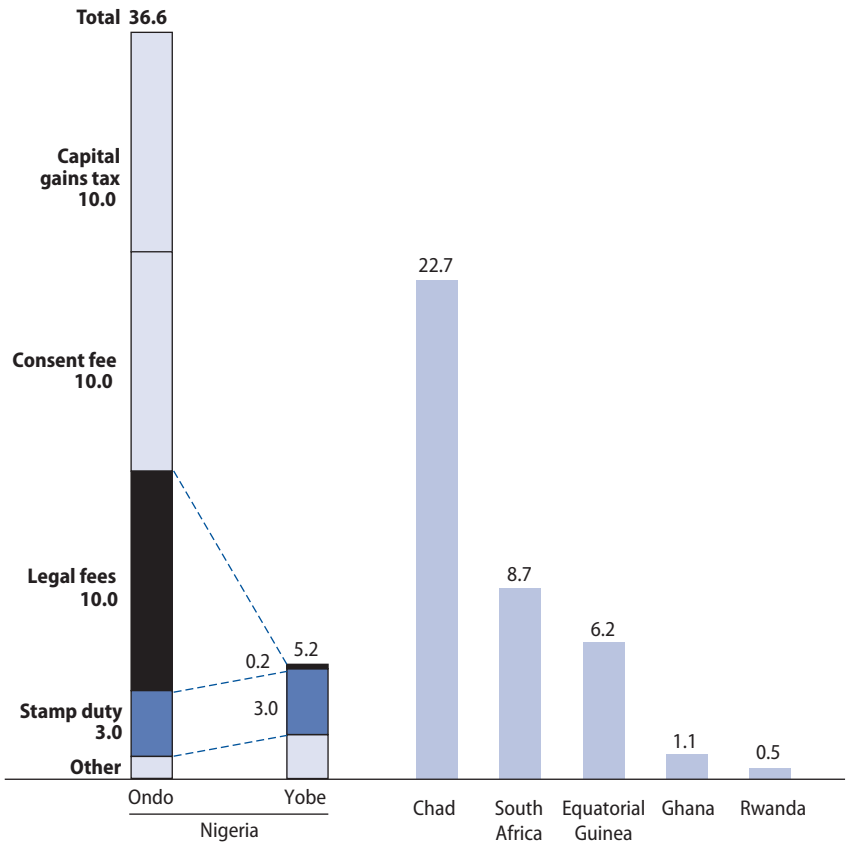
The capital gains tax also contributes to the variations in the total cost. According to the federal Capital Gains Tax Act 1990, the capital gains tax is 10% of the gain (profit), defined as the difference between the selling price and the purchasing price paid by the seller, minus the cost of improvements to the property. However, the manner in which the capital gains tax is calculated in different states does not always comply with the letter of the law. Most states do not charge capital gains tax at all, while others, like Cross River and Abuja, FCT, levy it as a percentage of the property value rather than the gain, a measure government officials claim will make up for revenue lost due to underreporting of property values. Another federal tax that is applied inconsistently is the stamp duty, which, according to the federal Stamp Duty Act 1939, should be 2% of the property value for property transfers between businesses.[6] In practice, many states charge 3% or even 4%.

Of the 11 states benchmarked in *Doing Business in Nigeria 2008*, 6 have introduced positive reforms in the past two years (table 4.2). Abia state introduced e-payment in 2009 and now all fees are paid at a commercial bank, which keeps corruption at bay; Anambra decreased the search fee for property titles from NGN 5,000 (US$ 37.5) to NGN 1,000 (US$ 7.5). In Sokoto, the Nigerian Bar Association and other stakeholders put pressure on the governor to speed up the process of granting consent on transferring property. The governor agreed to expedite the process and has since ensured that consent is granted within 60 days, rather than 75 days, as previously. By 2008, Kano had already delegated the power to grant consent, which decreased the time to 20 days. In June 2009, the power to grant consent was further delegated to both the Commissioner and the Permanent Secretary for Lands. Governor's consent on assignment can now be obtained in 14 days, decreasing the overall time to register property to 31 days.

Another reform is the introduction of the Geographic Information System (GIS). Following Abuja's example, Lagos, Kano, Kaduna, and Kwara are implementing a GIS, which captures and stores land information in digital format. Titles security is now strengthened since a computerized registry makes it easier to spot overlapping titles.

FIGURE 4.2

The cost of transferring a property title in Ondo, Yobe and in selected African countries



Source: Doing Business database.

Unfortunately, not all reforms have been positive. Four states increased the fees associated with registering property. In Bauchi, the search fee was increased two-and-a-half times and in Abuja, FCT, the consent fee was increased from NGN 10,000 (US$ 75) to NGN 55,000 (US$ 413) in 2009. In Enugu, almost all property registration fees were increased since 2008, some as much as 30 times. In December 2009, the Executive Council of Abia state passed a resolution and implemented a 25% increase of administrative fees across the board.

States also introduced structural land reforms. In June 2009, the Ministry of Lands in Kaduna pledged to deliver same-day consent to mortgages, one-week consent to assign Statutory Right of Occupancy (including performing valuation inspections and submitting valuation reports within two days), and one-month consent to assign Customary Right of Occupancy and Deemed Grant of Statutory Right of Occupancy. Ongoing reforms in Lagos include the delegation of governor consent for property transfers to 4 more commissioners, with a mandatory consent deadline of 48 hours. In 2009, the Lands Registry in Lagos has doubled the number of account officers from 2 to 4 in an effort to speed up the reconciliation of payments for property fees.

WHAT TO REFORM?

Doing Business in Nigeria 2008 recommended the elimination or simplification of obtaining governor consent, lowering property transfer fees or introducing flat rates, and replacing physical inspections with a standardized schedule of property values. While states such as Kano, Kaduna, and Lagos have implemented some of these recommendations, for the majority of states they remain valid.

Rather than spending resources and staff time on performing on-site inspections, Land Registries can introduce a standardized schedule of property values, where areas of the city would be assigned rates per square meter and fees would be calculated by the desk officer, as is successfully done in Lagos. And publishing a property valuation schedule would enable entrepreneurs to anticipate how much transfer tax they have to pay.

In addition to the above, Nigeria can benefit from introducing several other reforms.

ELIMINATE THE REQUIREMENT OF GOVERNOR'S CONSENT, OR AT LEAST MAKE IT EASIER TO OBTAIN

The requirement to obtain governor consent to property transfer remains the largest bottleneck. Governor's consent is not particular to Nigeria; other African countries, such as Lesotho, Malawi, Gambia, Senegal, and Zambia have similar consent requirements. This is not always a relic of colonial days: Nigeria introduced the Land Use Act in 1978. It was adopted to reduce conflicts deriving from overlapping ownership claims, but it added a six-month delay and a 10% fee. Eliminating governor's consent would significantly speed up the total time needed to register property across the country. Even delegating the power to grant consent will significantly decrease the waiting time, as evidenced in states that have implemented this (Abuja, FCT; Bauchi; Borno; Cross River; Gombe; Kaduna; Kano; Lagos; Ogun; and Taraba).[7] The time needed to obtain consent in Enugu, for example, was reduced from 60 days to 30 days when the power was delegated to the Commissioner for Lands.

INTRODUCE FLAT FEES

The introduction of flat rates instead of fees expressed as a percentage of property value has proven beneficial for both entrepreneurs and the government in many countries, as it reduces the incentive for property owners to either undervalue their plots or not register their property altogether. Flat fees can translate into more revenue for the government. In 2007, the Arab Republic of Egypt introduced a low fixed stamp duty fee, replacing the 3% registration fee. This led to a boom of property registrations that increased government revenues by 39% six months after the reform.[8]

CONSOLIDATE PROCEDURES

Some states have merged procedures by integrating government services or establishing commercial banking payment points within the agencies themselves. With the creation of the Commissioner of Stamp Duties at the Lands Bureau in Lagos, five fee payments were merged into one. Gombe has merged three procedures—assessing the deed at the Federal Inland Revenue Service (FIRS), paying the stamp duty, and stamping the deed—into one by allowing applicants to pay the stamp duty at FIRS rather than at a commercial bank. Moreover, these three procedures could be merged with another three procedures performed at the Ministry of Lands: assessing the property value, paying consent and registration fees at a bank, and submitting payment receipts to the Ministry of Lands. By establishing a FIRS counter at the Ministry of Lands, these six procedures can be merged into three or even one, if a payment point is established within the Ministry as well.

SET UP ELECTRONIC PAYMENT POINTS WITHIN GOVERNMENT AGENCIES

Revenue collection is carried out either through cash payments to the relevant agencies (which can be susceptible to corruption) or payments made via commercial banks (which is time-consuming, as it often takes several days for payments to go through). A convenient, fast, and secure alternative would be to establish electronic payment points within the revenue-generating agencies, where applicants could pay using ATM or prepaid cards and the money would be directly deposited to the agency's ac-

count. Ogun is currently implementing a similar system, called the Point of Payment (POP) terminal, which has already decreased the time needed to process payments from 14 days to 1 day.

ELIMINATE THE INVOLVEMENT OF A LAWYER FOR STANDARD PROPERTY REGISTRATIONS

It is customary to retain a lawyer to register property. Lawyers not only draft the Deed of Assignment, they also make sure the property is unencumbered, follow up with government agencies, and ensure that the title is registered with the Land Registry under the new owner's name. The legal fees are approximately 10% of the property value. The government could make procedures simpler and more transparent, so that entrepreneurs could go through the process on their own. They could also introduce a standardized deed of assignment that would be validated by a notary. These measures would decrease the cost of registering property by 10% across the board.

DIGITIZE THE LAND REGISTRY

In many states, property title searches and deed registration are still done manually. Making the registry electronic would shorten processing times, increase title security, and allow for more efficient use of staff time. Inspiration can be found at home. Abuja, FCT; Lagos; Kano; Kaduna; and Kwara are using GIS to capture and store land information in a digital format. Elsewhere, Belarus has increased the number of transferred titles three-fold since it began computerizing its system in 2005. Bosnia and Herzegovina has seen a 33% growth in transferred titles since all municipal land offices started computerizing a few years ago. Moreover, a computerized registry makes it easier to spot overlapping titles, thus improving title security.

PUBLICIZE AND COMMUNICATE THE BENEFITS OF REFORMS

Information on legal requirements should be easily available to the public. This would eliminate many of the frustrations of entrepreneurs, who often have to figure out the system through trial and error. Government communication campaigns are an essential part of any reform process. They raise awareness about government efforts, inform the public about the benefits, and reduce legal uncertainty. Such information could be provided via posters, brochures, web sites, and billboards. In Nigeria, some of the recent reforms described above have not been properly communicated and therefore their impact has not reached the end users. Most reformers are bad marketers. For example, El Salvador first established a one-stop shop in 1999, but local entrepreneurs thought it was only for foreigners. A lesson was learned. The second time around, the president himself inaugurated the improved one-stop shop and widespread media coverage ensured that everyone knew about the new system.

1. De Soto, Hernando. 2003. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York, NY: Perseus Group Books.
2. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC. World Bank Group.
3. Last place among the 178 countries where registering property is measured. For five economies there is no practice for registering property.
4. Peer-learning mechanisms, such as the National Development Forum (NDTF)—set up under a land administration reform program supported by a number of development partners—have been established to promote exchange of best practices in this area.
5. World Bank. 2009. *Doing Business in Kenya 2010*. Washington, DC. World Bank Group.
6. *Doing Business in Nigeria 2008* reported that the stamp duty tax was 3% across the country.
7. World Bank. 2004. *Doing Business 2005*. Washington, DC. World Bank Group.
8. World Bank. 2007. *Doing Business in Egypt 2008*. Washington, DC. World Bank Group.
9. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC. World Bank Group.

Enforcing contracts

TABLE 5.1
Where is it easy to enforce a contract — and where not?

1	Katsina (easiest)	14	Bayelsa	25	Kwara
2	Yobe	15	Lagos	27	Delta
3	Kebbi	16	Sokoto	28	Akwa Ibom
4	Jigawa	17	Abuja, FCT	29	Benue
5	Borno	18	Ogun	30	Abia
6	Edo	18	Taraba	31	Anambra
7	Kaduna	20	Oyo	32	Adamawa
8	Nasarawa	20	Plateau	32	Ebonyi
9	Ondo	22	Rivers	34	Imo
10	Bauchi	23	Kano	35	Ekiti
11	Osun	23	Niger	36	Enugu
12	Gombe	25	Kogi	37	Cross River (most difficult)
13	Zamfara				

Note: The ease of enforcing contracts is a simple average of the state rankings on the procedures, time and cost to resolve a commercial dispute through the courts. See the Data notes for details.

Source: Doing Business database.

The state courts of Nigeria had a rocky year in 2009. Judiciary workers went on strike twice, demanding higher salaries and better working conditions. Both strikes immobilized the courts. Oluke runs a small business printing traditional wax textiles. He is unaware of the wider issues within the judiciary, but suffers the consequences. For over a year he has been suing one of his biggest clients to recover the unpaid balance under a sales agreement. He is confident that the law is on his side and the judge will rule in his favor. But his lawyer has just told him that the case has been postponed for the fourth time. He does not have the cash or the courage to accept a large order from a new client. What if he never gets paid? Entrepreneurs throughout Nigeria face similar issues.

Across Nigeria's 36 states and Abuja, FCT, it takes on average 511 days and costs 36.3% of the claim value to enforce a contract. This is better than the Sub-Saharan Africa regional average of 644 days and 49.3%. However, Nigeria lags behind Tanzania, the top-ranked economy on enforcing contracts in Sub-Saharan Africa, where *Doing Business 2010: Reforming through Difficult Times* records 462 days and a cost of 14.3% to enforce a contract, or Ghana where it takes 487 days and costs 23%.

Commercial justice matters to businesses. Efficient courts provide a mechanism by which contractual obligations can be enforced and thus encourage economic activity. A study of judicial systems in transition economies summarizes the courts' contribution to economic growth: "they define the rules by which markets function, and they provide a means to resolve disputes, protect economic and social rights, and hold governments accountable for their actions."[1]

The Nigerian constitution grants the chief judge of each state the power to make rules for regulating its courts.[2] This, in effect, bestows on the state's judiciary control of proceedings as well as the responsibility for engineering reforms. Therefore, a typical commercial contract is enforced through the state courts and regulated by state-specific civil procedure rules. Furthermore, court administration also falls within the prerogative of the state's judiciary. As a result, there are wide differences in the ease of enforcing a commercial contract across Nigeria (table 5.1). In Katsina, the top-ranked state, it takes 285 days and costs 26% of claim value. In Cross River, it would take more than twice the time (835 days) and money (52.8%) to get the same result. In addition to different rules, the caseload may vary substantially from location to location due to population size and economic activity. In Lagos, the most populous state in Nigeria and by itself more populous than 32 of 47 African countries, the courts face a heavier caseload than in the smaller states.

Like 128 of the 183 economies benchmarked by *Doing Business*,[3] Nigeria has a two-tiered, first instance civil court system.[4] Jurisdiction is determined on the basis of the claim amount, with the Magistrates' Court (the lower court) dealing with smaller claims and the High Court dealing with higher claims. Each state sets its own competence threshold. These vary widely from NGN 10,000 in Ekiti (about US$ 75) to NGN 1 million in Lagos (about US$ 7,500). Moreover, in some states like Ogun, thresholds are

What is measured?

The *Doing Business* enforcing contracts indicator measures the efficiency of the commercial justice system. It records the time, cost and procedural complexity involved to enforce a contract through the courts up to receipt of the amount due. The standardized case study involves a claim for payment for goods sold and, in order to capture the picture of contract enforcement as opposed to simple payment orders, assumes the involvement of an expert witness at trial. See the detailed description of the standard case in the Data Notes.

not strictly adhered to. In order to benefit from more experienced judges, litigants commonly choose to file in the High Court even small claims falling within the competence of the Magistrates' Courts. This results in an inconsistent judicial map, with civil and commercial litigation being obsolete in certain Magistrates' Courts. Some states, like Oyo and Ekiti, ranked 20th and 35th, respectively, are considering raising the thresholds of the Magistrates' Court. Best-practice economies, like that of the United Kingdom, continuously ensure that competence thresholds are up to date; in 2009 the High Court's minimum threshold was raised from £15,000 (about US$ 25,000) to £25,000 (US$ 41,000).

The constitution guarantees every person that a court or tribunal will judge all civil obligations, including contractual ones, within a reasonable time frame.[5] And yet, while commercial proceedings can be swift in some states, in others they may take years (figure 5.1). The time needed to enforce a contract varies from 261 days in Jigawa to 1130 days in Niger.

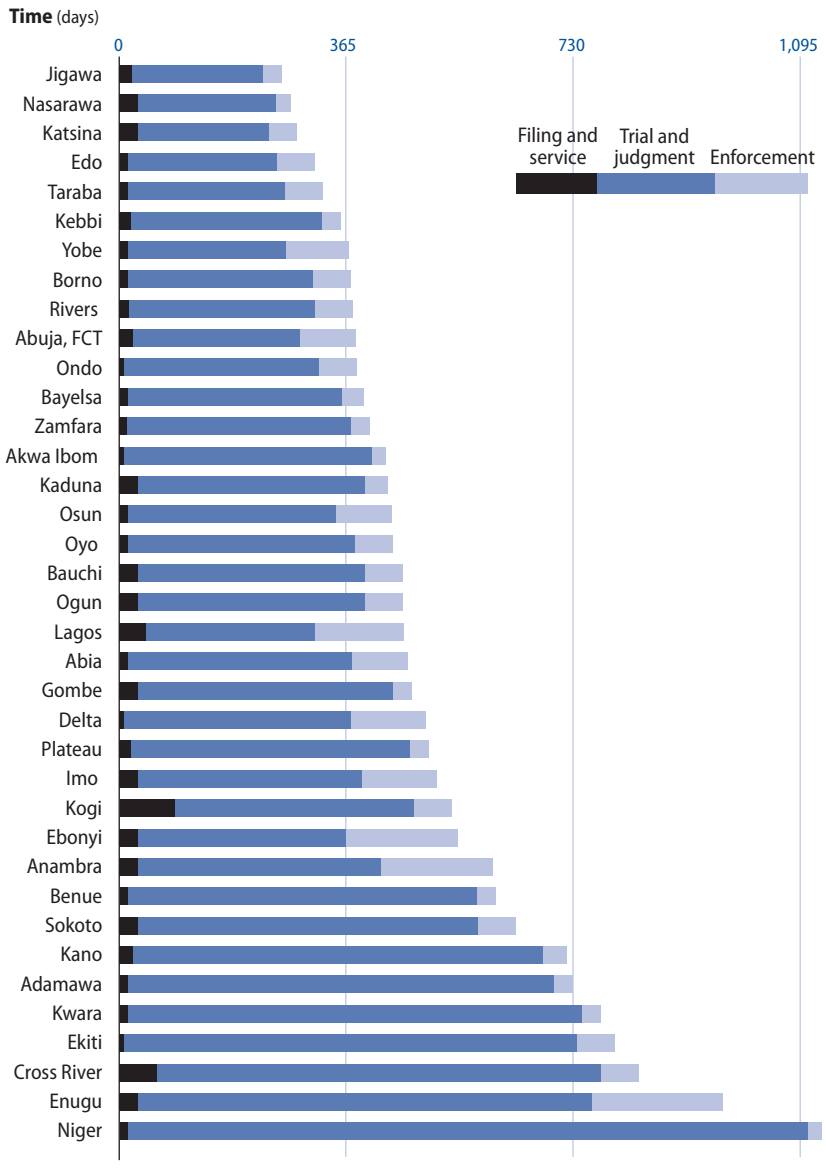
The enforcing contracts indicator tracks the time needed to resolve a commercial dispute through the three stages of litigation: filing and service, trial and judgment, and enforcement. On a global scale, Nigerian courts prove efficient when filing a claim. It takes an average of 23 days nationwide, but in Akwa Ibom, Delta, Ekiti, and Ondo the process can be as fast as seven days. Similarly to other high-performing locations such as Hong Kong, China, where filing and service take five days, the procedure is considered a purely administrative process. The court registrar's office only ensures that the plaint fulfills certain formal requirements, charges a fee, and assigns a date for the defendant to be summoned.

The trial and judgment stage is where most delays occur (figure 5.2). This stage usually takes at least one year, with the longest delays in Niger state—more than three years. A major cause is the number of adjournments. Even the more dynamic state judiciaries find it hard to curb this practice. In most state courts, it is common for three to four adjournments to be granted. In Enugu, as many as eight adjournments are typically granted, while in Cross River they may reach ten.

Administrative efficiency and budget also explain variations in the time needed to enforce a contract across states. State courts are administered by the state judiciary on a budget allocated by the state. Therefore, both Magistrates' and High Courts have different resources, including infrastructure (building, computers, and other equipment) and staffing. Also, while uniform civil procedure rules have existed since 1987, they serve only as "model" rules from which states are free to depart. In fact, both Lagos and Abuja, FCT, have enacted separate rules. With features such as "frontloading", these may prove more efficient.

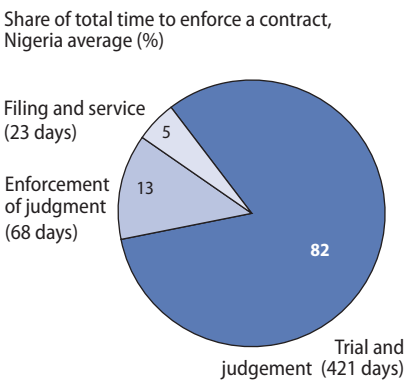
Enforcement is governed by the *Sheriffs and Civil Process Act*. This federal law is binding on the states, which can only regulate certain administra-

FIGURE 5.1
Time needed to enforce a contract across Nigerian states



Source: Doing Business database.

FIGURE 5.2
Time at trial accounts for the bulk of delays



Source: Doing Business database.

tive matters, such as bailiff fees. As a result, enforcing a judgment proves to be relatively swift, with less variation across states. It takes on average 68 days to apply for a writ of execution and hold a public sale—more than twice as fast than the global average of six months.[6] In some states such as Akwa Ibom, Jigawa, and Kebbi the process can be finalized within a month.

Most litigation costs are not regulated by law. Enforcing a contract costs 26% of the value of the claim in Katsina, whereas the national average is as high as 36.3%. Differences are mainly due to variations in legal fees and expert-witness fees.[7] Some fees associated with filing suit and bailiff fees are regulated according to the state-level Civil Procedure Rules or fee schedules. For example, the Osun State High Court fee schedule provides for a filing fee of NGN 100 (about US$ 0.75) and the Jigawa State High Court for NGN 120 (about US$ 0.9). These fees can be more than 10 times higher in other courts. The High Court of Ondo would charge NGN 1,500 (US$ 11). Nigeria is no exception to a global finding on the costs involved in commercial litigation: litigants spend most on attorney's fees (figure 5.3). Fifty-nine percent of costs paid or advanced by the plaintiff go to paying the attorney. Worldwide, on average, legal fees account for 65% of the costs of litigation.

In contrast, Kenya regulates most of the costs associated with litigation, including attorney fees.[8] An Advocates Remuneration Order fixes a minimum fee based on the amount of the claim. Regulation does not translate into overall lower costs, however. It costs 47.2% of the value of the claim to enforce a contract in Nairobi compared with 32% in Lagos.

Since the publication of *Doing Business in Nigeria 2008*, three states have taken measures resulting in swifter contract enforcement: Abuja, FCT; Kaduna; and Kano (table 5.2).

The enactment of new civil procedure rules in Abuja, FCT and Kaduna form part of an ongoing trend, observed in many states, of modernizing civil procedure rules. The momentum was initiated by Lagos, where new High Court Civil Procedure Rules were adopted in 2004.[9] This proved groundbreaking because of three innovative features: frontloading of evidence, time limits, and pre-trial conferences. "Frontloading" emphasizes the role of litigants by compelling plaintiffs to annex to the initial statement of claim all documents and witness statements in support of the claim. In this way, frivolous claims are discouraged, surprises requiring adjournments are limited, and protracted discovery is avoided. Pre-trial conferences and time limits strengthen the role of judges as active case managers. Time limits impose deadlines on parties to fulfill procedural requirements. Finally, pre-trial conferences aim to encourage settlement and identify issues. As a result of this reform, *Doing Business 2007* recorded a decrease in the time needed to enforce a contract in Lagos from 730 days to 457 days.

In 2006, Abuja, FCT, was among the first to follow suit and adopt new rules based on the Lagos example. Since then, many other states have remodeled their rules on those of Lagos and Abuja, FCT. Some states, like Kaduna and Nasarawa, have been faster to act than others. Most recently, in December

TABLE 5.2
Which states have reformed recently?

State	New civil procedure rules	More courts
Abuja, FCT	✔	
Kaduna	✔	
Kano		✔

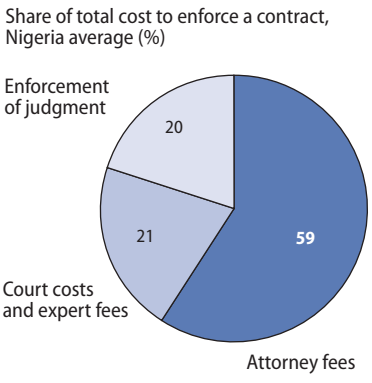
Note: This table records reforms that occurred between June 2008 and January 2010.

Source: Doing Business database.

2009, Ondo adopted new High Court rules. Others are setting up committees to decide on the new rules. Among the states benchmarked by *Doing Business in Nigeria 2008*, Abuja, FCT reduced the time needed to enforce a contract by almost 2 months and Kaduna more than 3 months, thanks to the impact of the new rules (figure 5.4). In the Sub-Saharan Africa region, new High Court rules in Botswana that emphasize pre-trial conferences and case management resulted in a decrease of 300 days in the time needed to enforce a contract, as noted in *Doing Business 2010: Reforming through Difficult Times*.

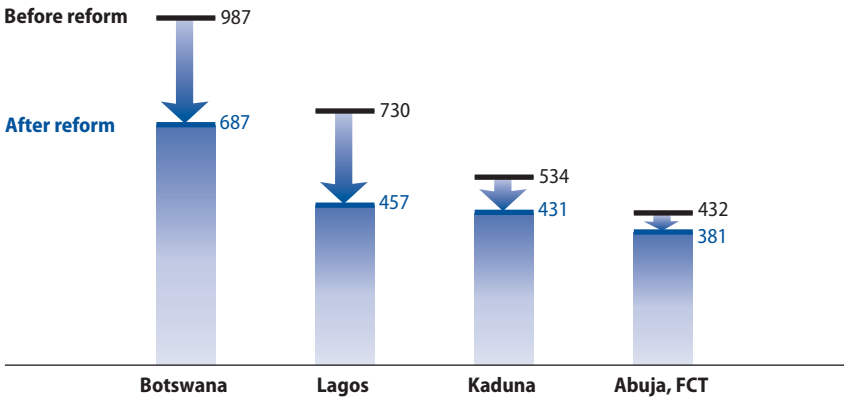
In Kano, another reforming state, efforts have been made to broaden access to justice and speed up proceedings by setting up new Magistrates' Courts. The new courts and accompanying increase in the number of magistrates have resulted in a decrease of 90 days in the time needed to enforce a contract, compared to that recorded in *Doing Business in Nigeria 2008*.

FIGURE 5.3
Attorney fees— the biggest driver of cost



Source: Doing Business database.

FIGURE 5.4
New civil procedure rules result in faster contract enforcement
Time to enforce a contract (days)



Source: Doing Business database.

WHAT TO REFORM?

INTRODUCE SPECIALIZED COMMERCIAL COURTS

Specialized courts are an exception. Magistrates' Courts commonly hear both criminal and civil cases. Of the state High Courts, only the Lagos High Court has created specialized divisions.[10] Since 2001, there are separate divisions for commercial cases as well as for land, family, and revenue matters.

Doing Business in Nigeria 2008 recommended that other states follow the Lagos example by introducing specialized commercial divisions or courts, with judges assigned solely to hearing commercial matters. This remains a valid recommendation for states with an important commercial caseload. Each state judiciary should therefore analyze its caseload to determine whether the cost of setting up a specialized court is justified.

Specialized commercial courts allow for resources, both in terms of personnel and infrastructure, to be allocated in a targeted way and for specific backlog reduction programs. Setting up specialized courts may also result in improved efficiency in general courts, as they find themselves relieved of a substantial caseload. Finally, allowing judges to focus their expertise on commercial matters may speed up commercial contract enforcement—as they grow accustomed to the specific issues and terminology of commercial cases, case management, and decision making become swifter. Rwanda proved successful in its 2008 implementation of specialized commercial courts. These benefit from a separate infrastructure and resources, and judges assigned solely to this jurisdiction. The result: a 16% reduction in the time needed to enforce a contract.[11]

PROVIDE ANNUAL REPORTS AND STATISTICS

Why monitor the courts? Research finds that "monitoring and evaluation systems are not only powerful tools to ensure accountability but also to introduce changes."[12] Monitoring guides the allocation of resources, such as the number of judges. Ethiopian courts now possess a state-of-the-art computerized case-management system that allows them not only to measure delays in proceedings but also to compare performances between judges, chambers, and courts. Reports are available in real time and oversight by the court administration ensures continuous performance evaluations. These reports, together with a backlog reduction program providing additional court sessions during vacation, have been successful in reducing the time needed to enforce a contract by 10%.[13]

All 36 states and Abuja, FCT, have a system for collecting vital statistics from the courts, such as the number of cases filed, pending, and disposed of. However, across states the uses and methods of data collection vary. In most states, regular reports on the number of new cases and cases disposed of, known as "returns," are submitted by the magistrates or judges to the Chief Magistrate or Chief Judge for internal purposes. In Abuja, FCT, computerized registers allow for easy generation of returns. Vast steps remain, however, including consolidating the statistics in order to use them as performance indicators.

Making statistics available to the litigants, lawyers, and other stakeholders also strengthens accountability of the courts toward its users. The state judiciary could start by publishing the statistics they already collect in a systematic way. For instance, Rivers state has a functional Web site,[14] which is updated regularly. By posting the Legal Year Ceremonial Address of the Chief Judge, Rivers state makes its statistics public. Doing so does not diminish judiciary independence, but sends the message that the courts are indeed user oriented.

FACILITATE COMMERCIAL JUSTICE FOR SMALL AND MEDIUM ENTERPRISES

Doing Business looks at small and medium-size businesses. These businesses go to court to secure payment of relatively small sums.[15] The time and costs involved in resolving such a simple commercial dispute remain disproportionately high. The costs, in particular, can reach more than 50% of the claim value in some states.

Many economies are now setting up small claims tracks or courts. These courts deal with claims falling below a certain monetary threshold and, contrary to a traditional lower jurisdiction such as

Nigeria's Magistrates' Court, litigation proceeds on the basis of substantially simplified procedural rules. Litigation is also made simpler by the use of standard forms for filing claims. In the Republic of Korea, more than 70% of civil cases are solved through small claims proceedings.[16] It costs only 10.3% of claim value and takes 230 days to resolve a commercial dispute in Korea.[17]

Another mechanism to increase access to justice is to promote Alternative Dispute Resolution (ADR) mechanisms—in particular, mediation. This is the solution implemented by Abuja, FCT; Lagos; Kano; and a number of other Nigerian states, which have established "multidoor courthouses." They are considered successful in bringing parties to the table and resolving cases amicably. Other states could follow suit and consider implementing similar ADR frameworks and institutions.

1. Anderson James H., David S. Bernstein, and Cheryl W. Gray. 2005. *Judicial Systems in Transition Economies: Assessing the Past, Looking to the Future*. Washington, DC. World Bank. Available at http://siteresources.worldbank.org/INTECA/Resources/complete.pdf.
2. Section 274, Constitution of the Federal Republic of Nigeria, 1999.
3. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times*. Washington, DC. World Bank Group.
4. Please note that this report considers only the formal court system. Customary courts (administered by traditional chiefs) and *sharia* courts are prevalent in Nigeria but fall outside the formal judiciary.
5. Section 36(1), Constitution of the Federal Republic of Nigeria, 1999.
6. *Doing Business* database.
7. The *Doing Business* standardized case study assumes that parties will rely on an expert to give testimony on the quality of goods delivered.
8. World Bank. 2009. *Doing Business in Kenya 2010*. Washington, DC. World Bank Group.
9. Hertveldt, Sabine. 2007. "Repairing a Car with the Engine Running." In World Bank, *Celebrating Reform 2007*. Washington, DC. World Bank Group and U.S. Agency for International Development.
10. *Doing Business in Nigeria 2008* reported that Abuja, FCT, had specialized commercial courts. However, this report could not confirm that specialized divisions, with judges solely assigned to hear commercial cases, are operating in Abuja, FCT.
11. World Bank. 2008. *Doing Business 2009*. Washington, DC. World Bank Group.
12. "Monitoring and Evaluation of Court System: A Comparative Study," *CEPEJ Studies* 6, p. 12 (http://www.coe.int/t/dghl/cooperation/cepej/series/Etudes6-Suivi_en.pdf).
13. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times.* Washington, DC. World Bank Group.
14. See http://www.rsjudiciary.com.
15. The *Enforcing Contracts* case study therefore uses a relatively small claim value equivalent to NGN 309,166 (about US$ 2,322).
16. Supreme Court of Korea, "Proceedings," http://eng.scourt.go.kr/.
17. World Bank. 2009. *Doing Business 2010: Reforming through Difficult Times.* Washington, DC. World Bank Group.

Data notes

ECONOMY CHARACTERISTICS

GROSS NATIONAL INCOME (GNI) PER CAPITA

Doing Business in Nigeria 2010 reports 2008 income per capita and population as published in the World Bank's World Development Indicators 2009. Income is calculated using the Atlas method (current US$). For cost indicators expressed as a percentage of income per capita, 2008 GNI in local currency units is used as the denominator.
Nigeria's GNI per capita in 2008 = US$ 1,161

EXCHANGE RATE

The exchange rate used in this report is 1 US$ = 133.19 NGN (Nigerian Naira)

REGION AND INCOME GROUP

Doing Business uses the World Bank regional and income group classifications, available at http://www.worldbank.org/data/countryclass.

The indicators presented and analyzed in *Doing Business in Nigeria 2010* measure business regulation and the protection of property rights—and their effect on businesses, especially small and medium-size domestic firms. The indicators document the degree of regulation, such as the number of procedures to start a business, to construct a warehouse or to register and transfer commercial property. Second, they gauge regulatory outcomes, such as the time and cost to enforce a contract. For details on how the rankings on these indicators are constructed, see aggregate ranking at the end of this section.

In this project, *Doing Business* indicators have been created for all 36 Nigerian states and Abuja, FCT—the complete list is available on page 48. The data for all sets of indicators in *Doing Business in Nigeria 2010* are current as of January 2010.

METHODOLOGY

The Doing Business in Nigeria 2010 data are collected in a standardized way, following the methodology developed by the *Doing Business team*. To start, the *Doing Business* team, with academic advisers, designs a survey. The survey uses a simple business case to ensure comparability across economies and over time—with assumptions about the legal form of the business, its size, its location and the nature of its operations. Then, the survey is customized to the particular case of Nigeria. Surveys are administered through more than 480 local experts, including lawyers, architects, government officials and other professionals routinely administering or advising on legal and regulatory requirements. These experts have several rounds of interaction with the *Doing Business in Nigeria* team, through face-to-face interviews, conference calls, written correspondence and visits by the team. The team invited state government officials to review the preliminary results and offered them a right of reply period. The data from surveys are subjected to numerous tests for robustness, which lead to revisions or expansions of the information collected.

The *Doing Business* methodology offers several advantages. It is transparent, using factual information about what laws and regulations say and allowing multiple interactions with local respondents to clarify potential misinterpretations of questions. Having representative samples of respondents is not an issue, as the texts of the relevant laws and regulations are collected and answers checked for accuracy. The methodology is inexpensive and easily replicable, so data can be collected in a large sample of economies. Because standard assumptions are used in the data collection, comparisons and benchmarks are valid across economies. Finally, the data not only highlight the extent of specific regulatory obstacles to doing business but also identify their source and point to what might be reformed.

LIMITS TO WHAT IS MEASURED

The *Doing Business* methodology applied to *Doing Business in Nigeria 2010* has 4 limitations that should be considered when interpreting the data. First, the data often focus on a specific business form—generally a limited liability company (or its legal equivalent) of a specified size—and may not be representative of the regulation on other businesses, for example, sole proprietorships. Second, transactions described in a standardized case scenario refer to a specific set of issues and may not represent the full set of issues a business encounters. Third, the measures of time involve an element of judgment by the expert respondents. When sources indicate different estimates, the time indicators reported in *Doing Business* represent the median values of several responses given under the assumptions of the standardized case.

Finally, the methodology assumes that a business has full information on what is required and does not waste time when completing procedures. In practice, completing a procedure may take longer if the business lacks information or is unable to follow up promptly. Alternatively, the business may choose to disregard some burdensome procedures. For both reasons the time delays reported in *Doing Business in Nigeria 2010* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other perception surveys.

STARTING A BUSINESS

Doing Business in Nigeria 2010 records all procedures that are officially required for an entrepreneur to start up and formally operate an industrial or commercial business. These include obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities.

After a study of laws, regulations and publicly available information on business entry, a detailed list of procedures is developed, along with the time and cost of complying with each procedure under normal circumstances and the paid-in minimum capital requirements. Subsequently, local incorporation lawyers, notaries and government officials complete and verify the data.

Information is also collected on the sequence in which procedures are to be completed and whether procedures may be carried out simultaneously. It is assumed that any

required information is readily available and that all agencies involved in the start-up process function without corruption. If answers by local experts differ, inquiries continue until the data are reconciled.

To make the data comparable across economies, several assumptions about the business and the procedures are used.

ASSUMPTIONS ABOUT THE BUSINESS

The business:

- Is a limited liability company. If there is more than one type of limited liability company in the economy, the limited liability form most popular among domestic firms is chosen. Information on the most popular form is obtained from incorporation lawyers, notaries or the statistical office.
- Operates in the state's largest business city.
- Is 100% domestically owned and has 5 owners, none of whom is a legal entity.
- Has start-up capital of 10 times income per capita at the end of 2008, paid in cash.
- Performs general industrial or commercial activities, such as the production or sale to the public of products or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.
- Leases the commercial plant and offices and is not a proprietor of real estate.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees 1 month after the commencement of operations, all of them nationals.
- Has a turnover of at least 100 times income per capita.
- Has a company deed 10 pages long.

PROCEDURES

A procedure is defined as any interaction of the company founders with external parties (for example, government agencies, lawyers, auditors or notaries). Interactions between company founders or company officers and employees are not counted as procedures. Procedures that must be completed in the same building but in different offices are counted as separate procedures. If founders have to visit the same office several times for different sequential procedures, each is counted separately. The founders are assumed to complete all procedures themselves, without middlemen, facilitators, accountants or lawyers, unless the use of such a third party is mandated by law. If the services of professionals are required, procedures conducted by such professionals on behalf of the company are counted separately. Each electronic procedure is counted separately. If 2 procedures can be completed through the same website but require separate filings, they are counted as 2 procedures.

Both pre- and post-incorporation procedures that are officially required for an entrepreneur to formally operate a business are recorded.

Procedures required for official correspondence or transactions with public agencies are also included. For example, if a company seal or stamp is required on official documents, such as tax declarations, obtaining the seal or stamp is counted. Similarly, if a company must open a bank account before registering for sales tax or value added tax, this transaction is included as a procedure. Shortcuts are counted only if they fulfill 4 criteria: they are legal, they are available to the general public, they are used by the majority of companies, and avoiding them causes substantial delays.

Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses conducting general commercial or industrial activities.

Procedures that the company undergoes to connect to electricity, water, gas and waste disposal services are not included.

TIME

Time is recorded in calendar days. The measure captures the median duration that incorporation lawyers and notaries indicate is necessary to complete a procedure with minimum follow-up with government agencies and no extra payments. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). A procedure is considered completed once the company has received the final document, such as the company registration certificate or tax number. It is assumed that the entrepreneur does not waste time and commits to completing each remaining procedure without delay. The time that the entrepreneur spends on gathering information is ignored. It is assumed that the entrepreneur is aware of all entry regulations and their sequence from the beginning but has had no prior contact with any of the officials.

COST

Cost is recorded as a percentage of the economy's income per capita. It includes all official fees and fees for legal or professional services if such services are required by law. Fees for purchasing and legalizing company books are included if these transactions are required by law.

The company law, the commercial code and specific regulations and fee schedules are used as sources for calculating costs. In the absence of fee schedules, a government officer's estimate is taken as an official source. In the absence of a government officer's estimate, estimates of incorporation lawyers are used. If several incorporation lawyers provide different estimates, the median reported value is applied. In all cases the cost excludes bribes.

PAID-IN MINIMUM CAPITAL

The paid-in minimum capital requirement reflects the amount that the entrepreneur needs to deposit in a bank or with a notary before registration and up to 3 months following incorporation and is recorded as a percentage of the economy's income per capita. The amount is typically specified in the commercial code or the company law. Many economies have a minimum capital requirement but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation. In Italy in June 2009, the minimum capital requirement for limited liability companies was €10,000, of which at least €2,500 was payable before registration. The paid-in minimum capital recorded for Italy is therefore €2,500, or 9.7% of income per capita. In Mexico the minimum capital requirement was 50,000 pesos, of which one-fifth needed to be paid before registration. The paid-in minimum capital recorded for Mexico is therefore 10,000 pesos, or 8.9% of income per capita.

The data details on starting a business can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list. This methodology was developed in Djankov, La Porta, López-Silanes and Shleifer. 2002. "The Regulation of Entry". Quarterly Journal of Economics 117(1): 1-37; and is adopted here with minor changes.

DEALING WITH CONSTRUCTION PERMITS

Doing Business in Nigeria 2010 records all procedures required for a business in the construction industry to build a standardized warehouse. These procedures include submitting all relevant project specific documents (for example, building plans and site maps) to the authorities; obtaining all necessary clearances, licenses, permits and certificates; completing all required notifications; and receiving all necessary inspections. *Doing Business in Nigeria 2010* also records procedures for obtaining connections for electricity, water, sewerage and a fixed land line. Procedures necessary to register the property so that it can be used as collateral or transferred to another entity are also counted. The survey divides the process of building a warehouse into distinct procedures and calculates the time and cost of completing each procedure in practice under normal circumstances.

Information is collected from experts in construction licensing, including architects, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations, including approvals and inspections. To make the data comparable across economies, several assumptions about the business, the warehouse project and the utility connections are used.

ASSUMPTIONS ABOUT THE CONSTRUCTION COMPANY

The business (BuildCo):

- Is a limited liability company.
- Operates in the state's largest business city.
- Is 100% domestically and privately owned.
- Has 5 owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 60 builders and other employees, all of them nationals with the technical expertise and professional experience necessary to obtain construction permits and approvals.
- Has at least 1 employee who is a licensed architect and registered with the local association of architects.
- Has paid all taxes and taken out all necessary insurance applicable to its general business activity (for example, accidental insurance for construction workers and third-person liability insurance).
- Owns the land on which the warehouse is built.

ASSUMPTIONS ABOUT THE WAREHOUSE

The warehouse:

- Will be used for general storage activities, such as storage of books or stationery. The warehouse will not be used for any goods requiring special conditions, such as food, chemicals or pharmaceuticals.
- Has 2 stories, both above ground, with a total surface of approximately 1,300.6 square meters (14,000 square feet). Each floor is 3 meters (9 feet, 10 inches) high.
- Has road access and is located in the peri-urban area of the state's selected city (that is, on the fringes of the localities but still within their official limits).
- Is not located in a special economic or industrial zone. The zoning requirements for warehouses are met by building in an area where similar warehouses can be found.
- Is located on a land plot of 929 square meters (10,000 square feet) that is 100% owned by BuildCo and is accurately registered in the cadastre and land registry.
- Is a new construction (there was no previous construction on the land).
- Has complete architectural and technical plans prepared by a licensed architect.
- Will include all technical equipment required to make the warehouse fully operational.

ASSUMPTIONS ABOUT THE UTILITY CONNECTIONS

The electricity connection:

- Is 10 meters (32 feet, 10 inches) from the main electricity network.
- Is a medium-tension, 3-phase, 4-wire Y, 140-kVA connection. Three-phase service is available in the construction area.
- Will be delivered by an overhead service, unless overhead service is not available in the peri-urban area.
- Consists of a simple hookup unless installation of a private substation (transformer) or extension of network is required.
- Requires the installation of only one electricity meter.

BuildCo is assumed to have a licensed electrician on its team to complete the internal wiring for the warehouse.

The water and sewerage connection:

- Is 10 meters (32 feet, 10 inches) from the existing water source and sewer tap.
- Does not require water for fire protection reasons; a fire extinguishing system (dry system) will be used instead. If a wet fire protection system is required by law, it is assumed that the water demand specified below also covers the water needed for fire protection.
- Has an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day.
- Has a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.
- Will have a constant level of water demand and wastewater flow throughout the year.

The telephone connection:

- Is 10 meters (32 feet, 10 inches) from the main telephone network.
- Is a fixed land line.

PROCEDURES

A procedure is any interaction of the company's employees or managers with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies, public and private inspectors and technical experts apart from in-house architects and engineers.

Interactions between company employees, such as development of the warehouse plans and inspections conducted by employees, are not counted as procedures. Procedures that the company undergoes to connect to electricity, water, sewerage and telephone services are included. All procedures that are legally or in practice required for building a warehouse are counted, even if they may be avoided in exceptional cases.

TIME

Time is recorded in calendar days. The measure captures the median duration that local experts indicate is necessary to complete a procedure in practice. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days). If a procedure can be accelerated legally for an additional cost, the fastest legal procedure available and used by the majority of construction companies is chosen. It is assumed that BuildCo does not waste time and commits to completing each remaining procedure without delay. The time that BuildCo spends on gathering information is ignored. It is assumed that BuildCo is aware of all building requirements and their sequence from the beginning.

COST

Cost is recorded as a percentage of the economy's income per capita. Only official costs are recorded. All the fees associated with completing the procedures to legally build a warehouse are recorded, including those associated with obtaining land use approvals and preconstruction design clearances; receiving inspections before, during and after construction; getting utility connections; and registering the warehouse property. Nonrecurring taxes required for the completion of the warehouse project also are recorded. The building code, information from local experts and specific regulations and fee schedules are used as sources for costs. If several local partners provide different estimates, the median reported value is used.

The data details on dealing with construction permits can be found for each economy at http://www.doingbusiness.org by selecting the economy in the dropdown list.

REGISTERING PROPERTY

Doing Business in Nigeria 2010 records the full sequence of procedures necessary for a business (buyer) to purchase a property from another business (seller) and to transfer the property title to the buyer's name so that the buyer can use the property for expanding its business, use the property as collateral in taking new loans or, if necessary, sell the property to another business. The process starts with obtaining the necessary documents, such as a copy of the seller's title if necessary, and conducting due diligence if required. The transaction is considered complete when it is opposable to third parties and when the buyer can use the property, use it as collateral for a bank loan or resell it.

Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer or must be completed by a third party on their behalf. Local property lawyers, notaries and property registries provide information on procedures as well as the time and cost to complete each of them.

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

ASSUMPTIONS ABOUT THE PARTIES

The parties (buyer and seller):

- Are limited liability companies.
- Are located in the peri-urban area of the state's largest business city.
- Are 100% domestically and privately owned.
- Have 50 employees each, all of whom are nationals.
- Perform general commercial activities.

ASSUMPTIONS ABOUT THE PROPERTY

The property:

- Has a value of 50 times income per capita. The sale price equals the value.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a peri-urban commercial zone, and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A 2-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition and complies with all safety standards, building codes and other legal requirements. The property of land and building will be transferred in its entirety.
- Will not be subject to renovations or additional building following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants (legal or illegal), and no other party holds a legal interest in it.

PROCEDURES

A procedure is defined as any interaction of the buyer or the seller, their agents (if an agent is legally or in practice required) or the property with external parties, including government agencies, inspectors, notaries and lawyers. Interactions between company officers and employees are not considered. All procedures that are legally or in practice required for registering property are recorded, even if they may be avoided in exceptional cases. It is assumed that the buyer follows the fastest legal option available and used by the majority of property owners.

Although the buyer may use lawyers or other professionals where necessary in the registration process, it is assumed that it does not employ an outside facilitator in the registration process unless legally or in practice required to do so.

TIME

Time is recorded in calendar days. The measure captures the median duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day. Although procedures may take place simultaneously, they cannot start on the same day. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is assumed that they are. It is assumed that the parties involved are aware of all regulations and their sequence from the beginning. Time spent on gathering information is not considered.

COST

Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. Both costs borne by the buyer and those borne by the seller are included. If cost estimates differ among sources, the median reported value is used.

The data details on registering property can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list.

ENFORCING CONTRACTS

Indicators on enforcing contracts measure the efficiency of the judicial system in resolving a commercial dispute. The data are built by following the step-by-step evolution of a commercial sale dispute before local courts. The data are collected through study of the codes of civil procedure and other court regulations as well as surveys completed by local litigation lawyers as well as by judges.

ASSUMPTIONS ABOUT THE CASE

- The value of the claim equals 200% of the economy's income per capita.
- The dispute concerns a lawful transaction between 2 businesses (Seller and Buyer), located in the state's largest business city. Seller sells goods worth

200% of the Country's income per capita to Buyer. After Seller delivers the goods to Buyer, Buyer refuses to pay for the goods on the grounds that the delivered goods were not of adequate quality.

- Seller (the plaintiff) sues Buyer (the defendant) to recover the amount under the sales agreement (that is, 200% of the economy's income per capita). Buyer opposes Seller's claim, saying that the quality of the goods is not adequate. The claim is disputed on the merits.
- A court in the state's largest business city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute.
- Seller attaches Buyer's movable assets (for example, office equipment, vehicles) prior to obtaining a judgment because Seller fears that Buyer may become insolvent during the law suit.
- Expert opinions are given on the quality of the delivered goods. If it is standard practice in the economy for each party to call its own expert witness, the parties each call one expert witness. If it is standard practice for the judge to appoint an independent expert, the judge does so. In this case the judge does not allow opposing expert testimony.
- The judgment is 100% in favor of Seller: the judge decides that the goods are of adequate quality and that Buyer must pay the agreed price.
- Buyer does not appeal the judgment. The judgment becomes final.
- Seller takes all required steps for prompt enforcement of the judgment. The money is successfully collected through a public sale of Buyer's movable assets (for example, office equipment, vehicles).

PROCEDURES

The list of procedural steps compiled for each state traces the chronology of a commercial dispute before the relevant court. A procedure is defined as any interaction between the parties, or between them and the judge or court officer. This includes steps to file the case, steps for trial and judgment and steps necessary to enforce the judgment.

The survey allows respondents to record procedures that exist in civil law but not common law jurisdictions, and vice versa. For example, in civil law countries the judge can appoint an independent expert, while in common law countries each party submits a list of expert witnesses to the court. To indicate overall efficiency, 1 procedure is subtracted from the total number for economies that have specialized commercial courts, and 1 procedure for economies that allow electronic filing of court cases. Some procedural steps that take place simultaneously with or are included in other procedural steps are not counted in the total number of procedures.

TIME

Time is recorded in calendar days, counted from the moment the plaintiff files the lawsuit in court until payment. This includes both the days when actions take place and the waiting periods between. The average duration of different stages of dispute resolution is recorded: the completion of service of process (time to file the case), the issuance of judgment (time for the trial and obtaining the judgment) and the moment of payment (time for enforcement of judgment).

COST

Cost is recorded as a percentage of the claim, assumed to be equivalent to 200% of income per capita. No bribes are recorded. Three types of costs are recorded: court costs, enforcement costs and average attorney fees.

Court costs include all costs Seller (plaintiff) must advance to the court or the expert regardless of the final cost to Seller. Expert fees, if required by law or necessary in practice, are included in court costs. Enforcement costs are all costs Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer's movable assets, regardless of the final cost to Seller. Average attorneys fees are the fees Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case.

The data details on enforcing contracts can be found for each economy at http://www.doingbusiness.org by selecting the economy in the drop-down list. This methodology was developed in Djankov, La Porta, López-de-Silanes and Shleifer. 2003. "Courts". Quarterly Journal of Economics 118 (2): 453-517; and is adopted here with minor changes.

AGGREGATE RANKING

The aggregate ranking index is calculated as the ranking on the simple average of state percentile rankings on each of the 4 topics covered in *Doing Business in Nigeria 2010.* The aggregate ranking measure ranges from 1 to 37, with lower values indicating more efficient regulation and stronger protection of property rights. The ranking on each topic is the simple average of the percentile rankings on its component indicators.

The aggregate ranking index is limited in scope. It does not account for a state's proximity to large markets, the quality of its infrastructure services (other than services related to construction permits), the security of property from theft and looting, macroeconomic conditions or the strength of underlying institutions. There remains a large unfinished agenda for research into what regulation constitutes binding constraints, what package of reforms is most effective and how these issues are shaped by the context of an economy. The *Doing Business* indicators provide a new empirical data set that may improve understanding of these issues.

State tables

Abia, *Aba*

Starting a business (rank)	18
Procedures (number)	9
Time (days)	33
Cost (% of income per capita)	67.8
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	30
Procedures (number)	16
Time (days)	79
Cost (% of income per capita)	718.1

Aggregate ranking	32
Registering property (rank)	30
Procedures (number)	13
Time (days)	106
Cost (% of the property value)	18.5
Enforcing contracts (rank)	30
Procedures (number)	40
Time (days)	464
Cost (% of claim)	47.6

Adamawa, *Yola*

Starting a business (rank)	20
Procedures (number)	7
Time (days)	44
Cost (% of income per capita)	74.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	4
Procedures (number)	11
Time (days)	69
Cost (% of income per capita)	395.1

Aggregate ranking	19
Registering property (rank)	25
Procedures (number)	13
Time (days)	120
Cost (% of the property value)	12.2
Enforcing contracts (rank)	32
Procedures (number)	40
Time (days)	729
Cost (% of claim)	40.5

Akwa Ibom, *Uyo*

Starting a business (rank)	7
Procedures (number)	8
Time (days)	34
Cost (% of income per capita)	65.1
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	29
Procedures (number)	14
Time (days)	111
Cost (% of income per capita)	617.1

Aggregate ranking	20
Registering property (rank)	17
Procedures (number)	12
Time (days)	55
Cost (% of the property value)	15.6
Enforcing contracts (rank)	28
Procedures (number)	40
Time (days)	428
Cost (% of claim)	46.8

Anambra, *Onitsha*

Starting a business (rank)	27
Procedures (number)	9
Time (days)	39
Cost (% of income per capita)	84.4
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	31
Procedures (number)	16
Time (days)	99
Cost (% of income per capita)	574.3

Aggregate ranking	35
Registering property (rank)	30
Procedures (number)	13
Time (days)	212
Cost (% of the property value)	15.4
Enforcing contracts (rank)	31
Procedures (number)	40
Time (days)	600
Cost (% of claim)	42.6

Bauchi, *Bauchi*

Starting a business (rank)	21
Procedures (number)	10
Time (days)	36
Cost (% of income per capita)	64.9
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	7
Procedures (number)	11
Time (days)	59
Cost (% of income per capita)	564.2

Aggregate ranking	10
Registering property (rank)	12
Procedures (number)	10
Time (days)	77
Cost (% of the property value)	11.1
Enforcing contracts (rank)	10
Procedures (number)	40
Time (days)	455
Cost (% of claim)	27.4

Bayelsa, *Yenagoa*

Aggregate ranking 28

Starting a business (rank)	37
Procedures (number)	11
Time (days)	47
Cost (% of income per capita)	84.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	25
Procedures (number)	15
Time (days)	81
Cost (% of income per capita)	632.9
Registering property (rank)	23
Procedures (number)	13
Time (days)	84
Cost (% of the property value)	14.3
Enforcing contracts (rank)	14
Procedures (number)	40
Time (days)	393
Cost (% of claim)	36.7

Benue, *Makurdi*

Aggregate ranking 13

Starting a business (rank)	10
Procedures (number)	8
Time (days)	36
Cost (% of income per capita)	65.0
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	11
Procedures (number)	14
Time (days)	83
Cost (% of income per capita)	441.4
Registering property (rank)	11
Procedures (number)	9
Time (days)	98
Cost (% of the property value)	8.1
Enforcing contracts (rank)	29
Procedures (number)	40
Time (days)	606
Cost (% of claim)	39.7

Borno, *Maiduguri*

Aggregate ranking 3

Starting a business (rank)	11
Procedures (number)	8
Time (days)	34
Cost (% of income per capita)	71.4
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	14
Procedures (number)	13
Time (days)	65
Cost (% of income per capita)	697.6
Registering property (rank)	2
Procedures (number)	8
Time (days)	14
Cost (% of the property value)	14.1
Enforcing contracts (rank)	5
Procedures (number)	40
Time (days)	371
Cost (% of claim)	26.2

Cross River, *Calabar*

Aggregate ranking 33

Starting a business (rank)	35
Procedures (number)	9
Time (days)	47
Cost (% of income per capita)	103.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	17
Procedures (number)	14
Time (days)	138
Cost (% of income per capita)	187.4
Registering property (rank)	20
Procedures (number)	13
Time (days)	70
Cost (% of the property value)	15.0
Enforcing contracts (rank)	37
Procedures (number)	40
Time (days)	835
Cost (% of claim)	52.8

Delta, *Warri*

Aggregate ranking 29

Starting a business (rank)	31
Procedures (number)	9
Time (days)	51
Cost (% of income per capita)	84.4
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	20
Procedures (number)	16
Time (days)	97
Cost (% of income per capita)	392.4
Registering property (rank)	28
Procedures (number)	13
Time (days)	76
Cost (% of the property value)	25.7
Enforcing contracts (rank)	27
Procedures (number)	40
Time (days)	492
Cost (% of claim)	37.1

Ebonyi, *Abakaliki*

Starting a business (rank)	28
Procedures (number)	10
Time (days)	39
Cost (% of income per capita)	68.4
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	28
Procedures (number)	23
Time (days)	97
Cost (% of income per capita)	420.5

Aggregate ranking	31
Registering property (rank)	21
Procedures (number)	12
Time (days)	91
Cost (% of the property value)	14.3
Enforcing contracts (rank)	32
Procedures (number)	40
Time (days)	545
Cost (% of claim)	46.3

Edo, *Benin City*

Starting a business (rank)	16
Procedures (number)	8
Time (days)	45
Cost (% of income per capita)	60.5
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	26
Procedures (number)	14
Time (days)	89
Cost (% of income per capita)	624.4

Aggregate ranking	21
Registering property (rank)	32
Procedures (number)	15
Time (days)	69
Cost (% of the property value)	27.6
Enforcing contracts (rank)	6
Procedures (number)	40
Time (days)	314
Cost (% of claim)	28.7

Ekiti, *Ado-Ekiti*

Starting a business (rank)	32
Procedures (number)	9
Time (days)	40
Cost (% of income per capita)	103.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	12
Procedures (number)	14
Time (days)	82
Cost (% of income per capita)	451.7

Aggregate ranking	34
Registering property (rank)	29
Procedures (number)	15
Time (days)	59
Cost (% of the property value)	28.3
Enforcing contracts (rank)	35
Procedures (number)	40
Time (days)	797
Cost (% of claim)	44.6

Enugu, *Enugu*

Starting a business (rank)	21
Procedures (number)	9
Time (days)	31
Cost (% of income per capita)	97.5
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	34
Procedures (number)	16
Time (days)	88
Cost (% of income per capita)	1,509.1

Aggregate ranking	30
Registering property (rank)	14
Procedures (number)	12
Time (days)	73
Cost (% of the property value)	11.2
Enforcing contracts (rank)	36
Procedures (number)	40
Time (days)	970
Cost (% of claim)	45.4

FCT, *Abuja*

Starting a business (rank)	1
Procedures (number)	5
Time (days)	22
Cost (% of income per capita)	58.5
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	35
Procedures (number)	17
Time (days)	98
Cost (% of income per capita)	950.0

Aggregate ranking	17
Registering property (rank)	9
Procedures (number)	10
Time (days)	51
Cost (% of the property value)	13.0
Enforcing contracts (rank)	17
Procedures (number)	40
Time (days)	381
Cost (% of claim)	42.9

Gombe, *Gombe*

Aggregate ranking 2

Starting a business (rank)	4
Procedures (number)	8
Time (days)	24
Cost (% of income per capita)	66.2
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	13
Procedures (number)	11
Time (days)	97
Cost (% of income per capita)	522.6
Registering property (rank)	1
Procedures (number)	8
Time (days)	16
Cost (% of the property value)	6.6
Enforcing contracts (rank)	12
Procedures (number)	40
Time (days)	470
Cost (% of claim)	27.9

Imo, *Owerri*

Aggregate ranking 36

Starting a business (rank)	33
Procedures (number)	10
Time (days)	39
Cost (% of income per capita)	85.9
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	32
Procedures (number)	18
Time (days)	84
Cost (% of income per capita)	654.8
Registering property (rank)	25
Procedures (number)	9
Time (days)	147
Cost (% of the property value)	21.3
Enforcing contracts (rank)	34
Procedures (number)	40
Time (days)	510
Cost (% of claim)	52.9

Jigawa, *Dutse*

Aggregate ranking 1

Starting a business (rank)	17
Procedures (number)	7
Time (days)	35
Cost (% of income per capita)	81.2
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	1
Procedures (number)	10
Time (days)	47
Cost (% of income per capita)	396.7
Registering property (rank)	5
Procedures (number)	11
Time (days)	28
Cost (% of the property value)	11.1
Enforcing contracts (rank)	4
Procedures (number)	40
Time (days)	261
Cost (% of claim)	28.6

Kaduna, *Kaduna*

Aggregate ranking 22

Starting a business (rank)	14
Procedures (number)	9
Time (days)	31
Cost (% of income per capita)	69.5
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	33
Procedures (number)	15
Time (days)	125
Cost (% of income per capita)	643.8
Registering property (rank)	23
Procedures (number)	12
Time (days)	130
Cost (% of the property value)	13.6
Enforcing contracts (rank)	7
Procedures (number)	40
Time (days)	431
Cost (% of claim)	26.2

Kano, *Kano*

Aggregate ranking 8

Starting a business (rank)	26
Procedures (number)	9
Time (days)	38
Cost (% of income per capita)	77.8
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	3
Procedures (number)	14
Time (days)	56
Cost (% of income per capita)	94.6
Registering property (rank)	4
Procedures (number)	11
Time (days)	31
Cost (% of the property value)	10.8
Enforcing contracts (rank)	23
Procedures (number)	40
Time (days)	720
Cost (% of claim)	29.7

Katsina, *Katsina*

Aggregate ranking 7

Starting a business (rank)	25
Procedures (number)	9
Time (days)	37
Cost (% of income per capita)	77.8
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	15
Procedures (number)	16
Time (days)	70
Cost (% of income per capita)	435.6
Registering property (rank)	8
Procedures (number)	11
Time (days)	33
Cost (% of the property value)	11.0
Enforcing contracts (rank)	1
Procedures (number)	40
Time (days)	285
Cost (% of claim)	26.0

Kebbi, *Birnin Kebbi*

Aggregate ranking 4

Starting a business (rank)	3
Procedures (number)	8
Time (days)	30
Cost (% of income per capita)	61.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	8
Procedures (number)	13
Time (days)	68
Cost (% of income per capita)	445.3
Registering property (rank)	16
Procedures (number)	9
Time (days)	195
Cost (% of the property value)	12.0
Enforcing contracts (rank)	3
Procedures (number)	40
Time (days)	356
Cost (% of claim)	26.2

Koji, *Lokoja*

Aggregate ranking 5

Starting a business (rank)	2
Procedures (number)	8
Time (days)	28
Cost (% of income per capita)	61.8
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	6
Procedures (number)	12
Time (days)	78
Cost (% of income per capita)	424.2
Registering property (rank)	10
Procedures (number)	9
Time (days)	33
Cost (% of the property value)	15.7
Enforcing contracts (rank)	25
Procedures (number)	40
Time (days)	534
Cost (% of claim)	36.6

Kwara, *Ilorin*

Aggregate ranking 14

Starting a business (rank)	19
Procedures (number)	8
Time (days)	34
Cost (% of income per capita)	87.5
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	5
Procedures (number)	13
Time (days)	52
Cost (% of income per capita)	473.7
Registering property (rank)	15
Procedures (number)	8
Time (days)	78
Cost (% of the property value)	20.9
Enforcing contracts (rank)	25
Procedures (number)	40
Time (days)	774
Cost (% of claim)	30.0

Lagos, *Lagos*

Aggregate ranking 25

Starting a business (rank)	8
Procedures (number)	8
Time (days)	31
Cost (% of income per capita)	77
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	35
Procedures (number)	18
Time (days)	350
Cost (% of income per capita)	580.3
Registering property (rank)	27
Procedures (number)	13
Time (days)	82
Cost (% of the property value)	20.9
Enforcing contracts (rank)	15
Procedures (number)	39
Time (days)	457
Cost (% of claim)	32.0

Nasarawa, *Lafia*

		Aggregate ranking	18
Starting a business (rank)	12	**Registering property** (rank)	18
Procedures (number)	7	Procedures (number)	11
Time (days)	29	Time (days)	102
Cost (% of income per capita)	87.6	Cost (% of the property value)	13.7
Minimum capital (% of income per capita)	0		
		Enforcing contracts (rank)	8
Dealing with construction permits (rank)	27	Procedures (number)	40
Procedures (number)	16	Time (days)	275
Time (days)	86	Cost (% of claim)	36.4
Cost (% of income per capita)	512.2		

Niger, *Minna*

		Aggregate ranking	16
Starting a business (rank)	9	**Registering property** (rank)	19
Procedures (number)	7	Procedures (number)	11
Time (days)	32	Time (days)	86
Cost (% of income per capita)	74.7	Cost (% of the property value)	15.4
Minimum capital (% of income per capita)	0		
		Enforcing contracts (rank)	23
Dealing with construction permits (rank)	10	Procedures (number)	40
Procedures (number)	12	Time (days)	1,130
Time (days)	66	Cost (% of claim)	26.5
Cost (% of income per capita)	584.3		

Ogun, *Abeokuta*

		Aggregate ranking	37
Starting a business (rank)	36	**Registering property** (rank)	35
Procedures (number)	10	Procedures (number)	15
Time (days)	40	Time (days)	101
Cost (% of income per capita)	90.9	Cost (% of the property value)	16.2
Minimum capital (% of income per capita)	0		
		Enforcing contracts (rank)	18
Dealing with construction permits (rank)	37	Procedures (number)	40
Procedures (number)	18	Time (days)	455
Time (days)	102	Cost (% of claim)	37.1
Cost (% of income per capita)	713.9		

Ondo, *Akure*

		Aggregate ranking	24
Starting a business (rank)	33	**Registering property** (rank)	34
Procedures (number)	10	Procedures (number)	16
Time (days)	37	Time (days)	62
Cost (% of income per capita)	90.9	Cost (% of the property value)	33.6
Minimum capital (% of income per capita)	0		
		Enforcing contracts (rank)	9
Dealing with construction permits (rank)	19	Procedures (number)	40
Procedures (number)	17	Time (days)	382
Time (days)	71	Cost (% of claim)	31.4
Cost (% of income per capita)	428.4		

Osun, *Osogbo*

		Aggregate ranking	23
Starting a business (rank)	30	**Registering property** (rank)	36
Procedures (number)	10	Procedures (number)	14
Time (days)	35	Time (days)	93
Cost (% of income per capita)	86.1	Cost (% of the property value)	22.3
Minimum capital (% of income per capita)	0		
		Enforcing contracts (rank)	11
Dealing with construction permits (rank)	9	Procedures (number)	40
Procedures (number)	14	Time (days)	438
Time (days)	84	Cost (% of claim)	30.7
Cost (% of income per capita)	278.9		

Oyo, *Ibadan*

Starting a business (rank)	24
Procedures (number)	9
Time (days)	31
Cost (% of income per capita)	110.2
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	23
Procedures (number)	12
Time (days)	137
Cost (% of income per capita)	527.7

Aggregate ranking	26
Registering property (rank)	33
Procedures (number)	17
Time (days)	65
Cost (% of the property value)	24.0
Enforcing contracts (rank)	20
Procedures (number)	40
Time (days)	439
Cost (% of claim)	37.2

Plateau, *Jos*

Starting a business (rank)	4
Procedures (number)	8
Time (days)	31
Cost (% of income per capita)	63.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	24
Procedures (number)	15
Time (days)	84
Cost (% of income per capita)	552.0

Aggregate ranking	15
Registering property (rank)	13
Procedures (number)	9
Time (days)	66
Cost (% of the property value)	17.6
Enforcing contracts (rank)	20
Procedures (number)	40
Time (days)	498
Cost (% of claim)	34.6

Rivers, *Port Harcourt*

Starting a business (rank)	29
Procedures (number)	10
Time (days)	38
Cost (% of income per capita)	71.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	15
Procedures (number)	11
Time (days)	148
Cost (% of income per capita)	429.1

Aggregate ranking	27
Registering property (rank)	37
Procedures (number)	13
Time (days)	201
Cost (% of the property value)	23.2
Enforcing contracts (rank)	22
Procedures (number)	40
Time (days)	375
Cost (% of claim)	46.7

Sokoto, *Sokoto*

Starting a business (rank)	23
Procedures (number)	9
Time (days)	31
Cost (% of income per capita)	103.7
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	2
Procedures (number)	13
Time (days)	63
Cost (% of income per capita)	154.2

Aggregate ranking	12
Registering property (rank)	21
Procedures (number)	12
Time (days)	86
Cost (% of the property value)	15.0
Enforcing contracts (rank)	16
Procedures (number)	40
Time (days)	638
Cost (% of claim)	27.1

Taraba, *Jalingo*

Starting a business (rank)	6
Procedures (number)	8
Time (days)	33
Cost (% of income per capita)	60.0
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	21
Procedures (number)	15
Time (days)	84
Cost (% of income per capita)	464.7

Aggregate ranking	11
Registering property (rank)	5
Procedures (number)	12
Time (days)	22
Cost (% of the property value)	8.2
Enforcing contracts (rank)	18
Procedures (number)	40
Time (days)	327
Cost (% of claim)	52.6

Yobe, *Damaturu*

Aggregate ranking 6

Starting a business (rank)	13
Procedures (number)	8
Time (days)	38
Cost (% of income per capita)	61.9
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	22
Procedures (number)	18
Time (days)	65
Cost (% of income per capita)	475.7
Registering property (rank)	5
Procedures (number)	9
Time (days)	80
Cost (% of the property value)	5.2
Enforcing contracts (rank)	2
Procedures (number)	40
Time (days)	368
Cost (% of claim)	26.1

Zamfara, *Gusau*

Aggregate ranking 9

Starting a business (rank)	15
Procedures (number)	8
Time (days)	36
Cost (% of income per capita)	71.5
Minimum capital (% of income per capita)	0
Dealing with construction permits (rank)	18
Procedures (number)	14
Time (days)	57
Cost (% of income per capita)	1,052.5
Registering property (rank)	3
Procedures (number)	10
Time (days)	32
Cost (% of the property value)	8.1
Enforcing contracts (rank)	13
Procedures (number)	40
Time (days)	402
Cost (% of claim)	36.0

Doing Business Indicators

	Starting a business					Dealing with construction permits			
	Procedures (number)	**Time** (days)	**Cost** (% of income per capita)	**Paid-in minimum capital** (% of income per capita)	**Ease of starting a business** (rank)	**Procedures** (number)	**Time** (days)	**Cost** (% of income per capita)	**Ease of dealing with construction permits** (rank)
Abia, Aba	9	33	67.8	0	**18**	16	79	718.1	**30**
Adamawa, Yola	7	44	74.7	0	**20**	11	69	395.1	**4**
Akwa Ibom , Uyo	8	34	65.1	0	**7**	14	111	617.1	**29**
Anambra, Onitsha	9	39	84.4	0	**27**	16	99	574.3	**31**
Bauchi, Bauchi	10	36	64.9	0	**21**	11	59	564.2	**7**
Bayelsa, Yenagoa	11	47	84.7	0	**37**	15	81	632.9	**25**
Benue, Makurdi	8	36	65.0	0	**10**	14	83	441.4	**11**
Borno, Maiduguri	8	34	71.4	0	**11**	13	65	697.6	**14**
Cross River, Calabar	9	47	103.7	0	**35**	14	138	187.4	**17**
Delta, Warri	9	51	84.4	0	**31**	16	97	392.4	**20**
Ebonyi, Abakaliki	10	39	68.4	0	**28**	23	97	420.5	**28**
Edo, Benin City	8	45	60.5	0	**16**	14	89	624.4	**26**
Ekiti, Ado-Ekiti	9	40	103.7	0	**32**	14	82	451.7	**12**
Enugu, Enugu	9	31	97.5	0	**21**	16	88	1,509.1	**34**
FCT, Abuja	5	22	58.5	0	**1**	17	98	950.0	**35**
Gombe, Gombe	8	24	66.2	0	**4**	11	97	522.6	**13**
Imo , Owerri	10	39	85.9	0	**33**	18	84	654.8	**32**
Jigawa, Dutse	7	35	81.2	0	**17**	10	47	396.7	**1**
Kaduna, Kaduna	9	31	69.5	0	**14**	15	125	643.8	**33**
Kano, Kano	9	38	77.8	0	**26**	14	56	94.6	**3**
Katsina, Katsina	9	37	77.8	0	**25**	16	70	435.6	**15**
Kebbi, Birnin Kebbi	8	30	61.7	0	**3**	13	68	445.3	**8**
Kogi, Lokoja	8	28	61.8	0	**2**	12	78	424.2	**6**
Kwara, Ilorin	8	34	87.5	0	**19**	13	52	473.7	**5**
Lagos, Lagos	8	31	77.0	0	**8**	18	350	580.3	**35**
Nasarawa, Lafia	7	29	87.6	0	**12**	16	86	512.2	**27**
Niger, Minna	7	32	74.7	0	**9**	12	66	584.3	**10**
Ogun, Abeokuta	10	40	90.9	0	**36**	18	102	713.9	**37**
Ondo, Akure	10	37	90.9	0	**33**	17	71	428.4	**19**
Osun, Osogbo	10	35	86.1	0	**30**	14	84	278.9	**9**
Oyo , Ibadan	9	31	110.2	0	**24**	12	137	527.7	**23**
Plateau, Jos	8	31	63.7	0	**4**	15	84	552.0	**24**
Rivers , Port Harcourt	10	38	71.7	0	**29**	11	148	429.1	**15**
Sokoto, Sokoto	9	31	103.7	0	**23**	13	63	154.2	**2**
Taraba, Jalingo	8	33	60.0	0	**6**	15	84	464.7	**21**
Yobe, Damaturu	8	38	61.9	0	**13**	18	65	475.7	**22**
Zamfara, Gusau	8	36	71.5	0	**15**	14	57	1,052.5	**18**

	Registering property				Enforcing contracts			
	Procedures (number)	**Time** (days)	**Cost** (% of property value)	**Ease of registering property** (rank)	**Procedures** (number)	**Time** (days)	**Cost** (% of claim)	**Ease of enforcing contracts** (rank)
Abia, Aba	13	106	18.5	**30**	40	464	47.6	**30**
Adamawa, Yola	13	120	12.2	**25**	40	729	40.5	**32**
Akwa Ibom , Uyo	12	55	15.6	**17**	40	428	46.8	**28**
Anambra, Onitsha	13	212	15.4	**30**	40	600	42.6	**31**
Bauchi, Bauchi	10	77	11.1	**12**	40	455	27.4	**10**
Bayelsa, Yenagoa	13	84	14.3	**23**	40	393	36.7	**14**
Benue, Makurdi	9	98	8.1	**11**	40	606	39.7	**29**
Borno, Maiduguri	8	14	14.1	**2**	40	371	26.2	**5**
Cross River, Calabar	13	70	15.0	**20**	40	835	52.8	**37**
Delta, Warri	13	76	25.7	**28**	40	492	37.1	**27**
Ebonyi, Abakaliki	12	91	14.3	**21**	40	545	46.3	**32**
Edo, Benin City	15	69	27.6	**32**	40	314	28.7	**6**
Ekiti, Ado-Ekiti	15	59	28.3	**29**	40	797	44.6	**35**
Enugu, Enugu	12	73	11.2	**14**	40	970	45.4	**36**
FCT, Abuja	10	51	13.0	**9**	40	381	42.9	**17**
Gombe, Gombe	8	16	6.6	**1**	40	470	27.9	**12**
Imo , Owerri	9	147	21.3	**25**	40	510	52.9	**34**
Jigawa, Dutse	11	28	11.1	**5**	40	261	28.6	**4**
Kaduna, Kaduna	12	130	13.6	**23**	40	431	26.2	**7**
Kano, Kano	11	31	10.8	**4**	40	720	29.7	**23**
Katsina, Katsina	11	33	11.0	**8**	40	285	26.0	**1**
Kebbi, Birnin Kebbi	9	195	12.0	**16**	40	356	26.2	**3**
Kogi, Lokoja	9	33	15.7	**10**	40	534	36.6	**25**
Kwara, Ilorin	8	78	20.9	**15**	40	774	30.0	**25**
Lagos, Lagos	13	82	20.9	**27**	39	457	32.0	**15**
Nasarawa, Lafia	11	102	13.7	**18**	40	275	36.4	**8**
Niger, Minna	11	86	15.4	**19**	40	1130	26.5	**23**
Ogun, Abeokuta	15	101	16.2	**35**	40	455	37.1	**18**
Ondo, Akure	16	62	33.6	**34**	40	382	31.4	**9**
Osun, Osogbo	14	93	22.3	**36**	40	438	30.7	**11**
Oyo , Ibadan	17	65	24.0	**33**	40	439	37.2	**20**
Plateau, Jos	9	66	17.6	**13**	40	498	34.6	**20**
Rivers , Port Harcourt	13	201	23.2	**37**	40	375	46.7	**22**
Sokoto, Sokoto	12	86	15.0	**21**	40	638	27.1	**16**
Taraba, Jalingo	12	22	8.2	**5**	40	327	52.6	**18**
Yobe, Damaturu	9	80	5.2	**5**	40	368	26.1	**2**
Zamfara, Gusau	10	32	8.1	**3**	40	402	36.0	**13**

LIST OF PROCEDURES

Starting a business

ABIA, Aba

Standard company legal form: Limited Liability Company
Paid-in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Umuahia and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 filing fees for company whose share capital is NGN 1,546,353 + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 16 days

Cost: NGN 60,000 (legal fees)

Comments: The applicant must file with the CAC the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

List of procedures

Starting a business

Dealing with construction permits

Registering property

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8*. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 3 days

Cost: NGN 4,000

Comments: Following incorporation with the CAC, a newly established business must register and obtain a business premises permit from the Ministry of Commerce and Industry. The fees vary from NGN 400 to NGN 100,000. The registration fee for a medium sized manufacturing or commercial company is NGN 4,000 for the initial registration and NGN 2,000 for the subsequent annual renewals.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: No cost

Comments: Fees for the business premises permit are paid into a government account at a designated bank.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

ADAMAWA, Yola

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 7 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually a week in this state. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 14 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Yola and it is not housed in the same premises with the CAC. The reason why this procedure is lengthy is the poor capacity of those who prepare the incorporation documents. The inexperience of the lawyers and poor exposure of the promoters of the company is a major challenge. The promoters do not always have the requisite information, documents or understanding, required to prepare the memorandum and articles of association and therefore have to source professional help, adding time to this procedure.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 18 days

Cost: NGN 92,000 (NGN 65,000 for legal fees + registration fees of NGN 10,000 for first 1,000,000 share capital and NGN 10,000 for each additional 1,000,000 + NGN 7,000 for certified true copies of memorandum and articles of association and particulars of directors and shareholders)

Comments: The applicant must file with the CAC, the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 65,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 2 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state's Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

STARTING A BUSINESS

AKWA IBOM, Uyo

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 4 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 3 to 4 days. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Umuahia or Port Harcourt and accounts for the travel time. Additional costs for handling this procedure out of state is not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + NGN 20,000 filing fees for company whose share capital is NGN 1,546,353 + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 2 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 3 days

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state's Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

ANAMBRA, Onitsha

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Enugu and accounts for the travel time. Additional costs for handling this procedure out of state are not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 filing fees for company whose share capital is NGN1,546,353 + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 16 days

Cost: NGN 80,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 7 days

Cost: No cost

Comments: Following incorporation with Corporate Affairs Commission, a newly established business must register and obtain a business premises permit from the Ministry of Commerce and Industry.

Procedure 9*. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: The business premises permit fees for first time registration are set at NGN 10,000 for business situated in urban areas and NGN 5,000 for rural areas. The renewal fees are NGN 5,000 and NGN 1,000 respectively. Fees for the business premises permit are paid into a government account at a designated bank.

*This procedure can be completed simultaneously with previous procedures.

BAUCHI, Bauchi

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually is 3 days in this state. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents

Time: 4 days

Cost: NGN 500 (costs of incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Bauchi and housed in the same premises with the CAC

Procedure 3. Pay stamp duty into a government account at a designated bank

Time: 1 day

Cost: NGN 12,598 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association)

Comments: Payment is made at any of the receiving banks designated by the stamp duty office of the Federal Board of Inland Revenue.

Procedure 4. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 5. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 Incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association, + NGN 2,000 for certified true copy of particulars of directors, +NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 6. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 7. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:–

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 8. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 9. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 4 days

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 10. Pay registration fees and obtain business premises permit from the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The cost of business premises registration is a 'fixed' charge depending on the type of company. In this case the company is considered to be in Category A and located in the suburbs of the city. For category A which includes a company carrying out general commercial activities, the fee is NGN 10,000 for first time registration upon incorporation, and subsequent annual payments of NGN 5,000 as renewal fee. The fees are paid directly to the Ministry of Commerce and Industry. A business premises permit is issued to the applicant after payment is made.

BAYELSA, Yenagoa

Standard company legal form: Limited Liability Company

Paid in minimum capital requirement: none

Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually no more than 5 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 10 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

The recent reduction in stamp duty payment to 0.75% of the nominal share capital is still not widely disseminated in the state. As such, the lawyers still obtain stamp duty payments at 1.5% of share capital from entrepreneurs and only pay over the amount of the official rate to the stamp duty office. Since this procedure is usually handled by the lawyers, the entrepreneurs in this state who are not aware of the reduced official costs associated with handling the stamping of the incorporation documents pay more than their counterparts in other states.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + NGN 10,000 for incorporation fees for the first 1,000,000 share capital + NGN 10,000 for each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically within the range of NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 15 days

Cost: NGN 80,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 6 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN).

According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 4 days

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 10,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10. Obtain treasury receipt from the Federal Board of Inland Revenue

Time: 1 day

Cost: No cost

Comments: A bank teller issued by the designated bank is presented to the Federal Board of Inland Revenue as proof that payment was made into the designated government account. FIRS, thereafter issues an official treasury receipt which must be presented to the Ministry of Commerce and Industry.

Procedure 11. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: An official treasury receipt issued by the FIRS is required to be presented to the Ministry of Commerce to evidence payment. Thereafter, a business premises permit is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

BENUE, Makurdi

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes 3 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Makurdi and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + NGN 10,000 for Incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 1 day

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state's Ministry of Commerce and Industry. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is thereafter issued.

STARTING A BUSINESS

BORNO, Maiduguri

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 4 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 4 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Bauchi or Adamawa and accounts for the travel time. Additional costs for handling this procedure out of state are not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 for incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 60,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

STARTING A BUSINESS

CROSS RIVER, Calabar

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 4 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 4 days in this state. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 9 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in Cross River State, and incorporation documents have to be stamped at the closest stamp duty office in Port Harcourt, adding time to this procedure.

The recent reduction in stamp duty payment to 0.75% of the nominal share capital is still not widely disseminated in the state. As such, the lawyers still obtain stamp duty payments at 1.5% of share capital from entrepreneurs and only pay over the amount of the official rate to the stamp duty office. Since this procedure is usually handled by the lawyers, the entrepreneurs in this state who are not aware of the reduced official costs associated with handling the stamping of the incorporation documents pay more than their counterparts in other states.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 for incorporation fees per 1,000,000 share capital + NGN 10,000 for every 1,000,000 share capital thereafter + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made at any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 100,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 100,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Obtain a business premises permit from the Department of Investment Promotion

Time: 3 days

Cost: No cost

Comments: Following incorporation with Corporate Affairs Commission, a newly established business must register and obtain a business premises permit from the Department of Investment Promotion.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

Comments: There is no fee schedule and an individual assessment is made for each business. The fees can range from NGN 1,500 to NGN 250,000. Fees for the business premises permit are paid into a government account at a designated bank.

STARTING A BUSINESS

DELTA, Warri

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 7 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually a week in this state. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 5 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms + NGN 3,000 transport costs to Asaba)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Asaba and is not housed in the same premises with the CAC.

The recent reduction in stamp duty payment to 0.75% of the nominal share capital is still not widely disseminated in the state. As such, the lawyers still obtain stamp duty payments at 1.5% of share capital from entrepreneurs and only pay over the amount of the official rate to the stamp duty office. Since this procedure is usually handled by the lawyers, the entrepreneurs in this state who are not aware of the reduced official costs associated with handling the stamping of the incorporation documents pay more than their counterparts in other states.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 2 days

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 20 days

Cost: NGN 97,000 (NGN 70,000 for legal fees + NGN 20,000 for incorporation fees + NGN 2,000 for certified true copy of particulars of directors + NGN 3,000 for certified true copy of the memorandum and articles of association + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 70,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 7 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6. Register for personal income tax PAYE at the State Tax Office

Time: 4 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 4 days

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 8. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 20,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 9. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry issues a business premises permit to the new business.

STARTING A BUSINESS

EBONYI, Abakaliki

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Enugu and accounts for the travel time. Additional costs for handling this procedure out of state are not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + incorporation fees of NGN 10,000 for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 60,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6

months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 5,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 5,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

EDO, Benin City

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 7 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually is a week in this state. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 16,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms + NGN 3,000 transport costs to Asaba)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Benin and is not housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 67,000 (NGN 40,000 for legal fees + registration fees of NGN 10,000 for first 1,000,000 share capital and NGN 10,000 for each additional 1,000,000 + NGN 7,000 for certified true copies of memorandum and articles of association and particulars of directors and shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 40,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 7 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following incorporation with Corporate Affairs Commission, a newly established business must register and obtain a business premises permit from the Ministry of Commerce and Industry.

Procedure 8. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 10,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

EKITI, Ado-Ekiti

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 7 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes about 7 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 3 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Akure, Ondo and accounts for the travel time. Additional costs for handling this procedure out of state are not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 20

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 127,000 (NGN 100,000 for legal fees + Incorporation fees of NGN 10,000 for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 100,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 8. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 20,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 9*. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

ENUGU, Enugu

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes 2 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 6 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Enugu and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + NGN 20,000 Incorporation fees (NGN 10,000 for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors, + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 100,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 100,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following incorporation with Corporate Affairs Commission, a newly established business must register and obtain a business premises permit from the Ministry of Commerce and Industry.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 10,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

FEDERAL CAPITAL TERRITORY, Abuja

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 1 day

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used and works much faster in this city since the CAC headquarters is here. Applicants prefer to go to the CAC office physically to use their systems to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes 1-2 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 6 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in Abuja and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 9 days

Cost: NGN 77,000 (NGN 50,000 for legal fees + NGN 20,000 incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 263,870 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 5. Register at the integrated Tax Office for corporate income tax, VAT, and PAYE

Time: 5 days

Cost: No cost

Comments: In Abuja, entrepreneurs can register for corporate income tax, VAT and PAYE at the new Integrated Tax Office. For corporate income tax: The Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation, tax clearance certificate: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week. For PAYE's registration, all employers shall register with the Integrated Tax Office for the purposes of deducting income tax from employees. Once the application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company.

STARTING A BUSINESS

GOMBE, Gombe

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually no more than 5 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 5 days

Cost: NGN 15,098 (NGN 500 for incorporation forms + stamp duty at 0.75% + NGN 1,000 for stamping of extra copy of memorandum and articles of association + NGN 2,000 for transport costs to and from Bauchi where stamping is handled)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Bauchi and accounts for the travel time. Additional costs for handling this procedure out of state are not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 20

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association, + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 5 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

STARTING A BUSINESS

IMO, Owerri

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Umuahia or Port Harcourt and accounts for the travel time. Additional costs for handling this procedure out of state are not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association, + NGN 2,000 for certified true copy of particulars of directors, + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 80,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 12,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 12,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10*. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

JIGAWA, Dutse

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 4 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes about 4 days in this state. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 5 days

Cost: NGN 18,098 (stamp duty of 0.75% of the share capital + NGN 1,000 for extra stamping of a copy of the memorandum and articles of association + NGN 500 for the incorportaion forms + NGN 5,000 to and from Kano where stamping is handled)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Kano and accounts for the travel time. Additional costs for handling this procedure out of state is not charged separately but included in the professional charges of the lawyer or incorporation agent used.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 18 days

Cost: NGN 87,000 (NGN 60,000 for legal fees + NGN 20,000 incorporation fees [NGN 10,000 for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 20,000

Comments: The newly incorporated company is required to register its business premises with the state's Ministry of Commerce and industry. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is thereafter issued.

KADUNA, Kaduna

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes 2 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 4 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Kaduna and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors, + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 60,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 3 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce/SBIR for business premises registration

Time: 3 days

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 7,100 (NGN 100 for application form + NGN 7,000 for business premises registration fee)

Comments: The following documents must be submitted: application form, evidence of registration with Corporate Affairs Commission and tax clearance certificate. In Kaduna town the fees for business premises registration range between NGN 700 and NGN 20,000. For a medium size manufacturing company, the fee amounts to NGN 7,000 and NGN 5,000 for subsequent annual renewals of the permit.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

KANO, Kano

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes 2 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Kano and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 10,000 incorporation fees for the first 1,000,000 share capital + NGN 10,000 each additional 1,000,000 share capital or less thereof + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 18 days

Cost: NGN 60,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 3 days

Cost: NGN 20,000

Comments: The fees for the business premises permit are paid directly to the Ministry. The fees depend on the type of activity, category of business (limited liability company, partnership or sole proprietorship), size of the business, and its location, and range from NGN 600 to NGN 100,000. For a medium manufacturing company located in Kano metropolis the business premises permit costs NGN 20,000. The annual renewal fee is the same as initial registration.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

KATSINA, Katsina

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually no more than 5 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents

Time: 4 days

Cost: NGN 500 (cost of incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Katsina and housed in the same premises with the CAC. The stamp duty office does not accept cash payment over a certain threshold.

Procedure 3. Pay stamp duty into a government account at a designated bank

Time: 1 day

Cost: NGN 12,598 (stamp duty of 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association)

Comments: Payment is made at any of the receiving banks designated by the stamp duty office of the Federal Board of Inland Revenue Department.

Procedure 4. Stamping the memorandum and articles of association at the stamp duty office

Time: 1 day

Cost: No cost

Comments: Upon payment of the stamp duty fee at a designated bank, a bank deposit slip is issued. The deposit slip is presented at the stamp duty office and thereafter 2 copies of the memorandum and articles of association are stamped.

Procedure 5*. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 6. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 87,000 (NGN 20,000 for CAC registration fees + NGN 7,000 for obtaining certified true copies of the company documents + NGN 60,000 for legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 7. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 3 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 8*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 9. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 20,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

KEBBI, Birnin Kebbi

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 3 days in this state. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 23,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms + NGN 10,000 transport costs to Sokoto to handle stamping of documents)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Sokoto and accounts for the travel time. Transportation costs to and from Sokoto are included in the cost for this procedure and the common practice is for the lawyers to charge this separately from the professional fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 registration fees [NGN 10,000 for first 1 million shares and then NGN 10,000 for every 1 million or part thereof]+ NGN 3,000 certified true copy of memorandum and articles of association + NGN 2,000 certified true copy of particulars of directors + NGN 2,000 certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 35,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 35,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 2 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

STARTING A BUSINESS

KOGI, Lokoja

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 to 3 days in this state. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 6 days

Cost: NGN 18,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms + NGN 5,000 transport costs to Abuja to handle stamping)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Abuja and accounts for the travel time. Transportation costs to and from Abuja are included in the cost for this procedure and the common practice is for the lawyers to charge this separately from the professional fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 registration fees (NGN 10,000 for first 1 million shares and then NGN 10,000 for every 1 million or part thereof)+ NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 certified true copy of particulars of directors + NGN 2,000 certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 40,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 40,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 1 day

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

KWARA, Ilorin

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 3 days in this state. The company's name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 18,098 (stamp duty of 0.75% per share capital + NGN 500 for incorporation forms + NGN 1,000 for stamping of extra copies of memorandum and articles of association + NGN 5,000 transport costs to and from Ibadan to handle the stamping)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Ibadan, Oyo State and accounts for the travel time. Transportation costs to and from Ibadan are included in the cost for this procedure and the common practice is for the lawyers to charge this separately from the professional fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 registration fees [NGN 10,000 for first 1 million shares and then NGN 10,000 for every 1 million or part thereof]+ NGN 3,000 certified true copy of memorandum and articles of association + NGN 2,000 certified true copy of particulars of directors + NGN 2,000 certified true copy of particulars of shareholders)

Comments: Payment is made at any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 40,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is thereafter issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

LAGOS, Lagos

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% per share capital + NGN 500 for incorporation forms + NGN 1,000 for stamping of extra copies of memorandum and articles of association)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There are two stamp duty offices located in the state. One of the stamp duty offices is housed in the same premises as the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 11 days

Cost: NGN 87,000 (NGN 60,000 for legal fees + NGN 20,000 registration fees (NGN 10,000 for first 1 million shares and then NGN 10,000 for every 1 million or part thereof)+ NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The Corporate Affairs Commission introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). Fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional, usually a lawyer, to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7*. Receive a visit from a local government inspection officer

Time: 7 days

Cost: No cost

Comments: The inspector visits the premises to determine their size and to ascertain that the business is not in an area prohibited or restricted by any law. The local government issues a demand notice of any fees or taxes to be paid, with details on the payment method, the receiving bank, and the due date. Upon payment, the company has in effect fulfilled its obligation. The local government periodically checks payment and enforces court action on any default. The state and the local government determine through physical inspections which businesses are operating within its jurisdiction and issue various levies, assessments, and charges for payment by the company concerned. Failure to pay can lead to legal action in state and lower division courts.

Procedure 8. Pay fees at a designated bank

Time: 1 day

Cost: NGN 18,500

Comments: The initial registration fee varies depending on the company size between NGN 5,000 for small businesses and NGN 50,000 for large-scale businesses. NGN 18,500 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities in the city. The registration must be renewed each year (NGN 5,000 for each renewal). Fees are paid into a government account in a designated bank.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

NASARAWA, Lafia

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually as much as 5 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 18,098 (NGN 500 for incorporation forms + stamp duty at 0.75% of share capital + NGN 5,000 for transportation costs to Abuja + NGN 1,000 for stamping of additional copies each of the memorandum and articles of association)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and:

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one.

The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Abuja and accounts for the travel time. Transportation costs to and from Abuja are included in the cost for this procedure and the common practice is for the lawyers to charge this separately from the professional fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 12 days

Cost: NGN 107,000 (NGN 80,000 for legal fees + NGN 27,000 registration fees consisting of NGN 10,000 for the first 1 million shares and NGN10,000 for every 1 million or part thereof + NGN 7,000 for certified copies of memorandum and articles of association, particulars of directors and shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 2 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

STARTING A BUSINESS

NIGER, Minna

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually as much as 5 days in this state. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 18,098 (NGN 500 for the incorporation forms + stamp duty at 0.75% of share capital + NGN 5, 000 transport costs to Abuja for stamping + NGN 1,000 for stamping of extra copies of memorandum and articles of association)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping shown here is based on an assumption that the stamping is conducted at the stamp duty office in Kaduna or Abuja and accounts for the travel time. Transportation cost to handle the stamping out-of-state is included in the cost for this procedure and the common practice is for lawyers to charge this separately from the professional fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 87,000 (NGN 60,000 for legal fees + NGN 20,000 registration fees [NGN 10,000 for first 1 million shares and then NGN 10,000 for every 1 million or part thereof)+ NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 2 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6*. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Register business premises with the Ministry of Commerce and Industry

Time: 3 days

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

OGUN, Abeokuta

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 9 days

Cost: NGN 13,098 (stamp duty at 0.75% per share capital + NGN 500 for incorporation forms + NGN 1,000 for stamping of extra copies of memorandum and articles of association)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Lagos or Ibadan and accounts for the travel time. Most incorporators have shown a preference to stamp the documents in Ibadan because it has less volume of transactions than Lagos and time is saved this way. The transportation cost is not charged separately, but is included in the final bill charged by the lawyers for handling the incorporation.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 incorporation fees (NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 18 days

Cost: NGN 80,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

Comments: The business permit fee for a general merchant in urban areas of Ogun state is NGN 20,000 for first time registration and NGN 10,000 for a renewal. Fees are paid directly into a government account in a designated bank.

Procedure 10. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 2 days

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry registers and issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

ONDO, Akure

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 4 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Akure and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 200

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank, but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 107,000 (NGN 80,000 for legal fees + NGN 20,000 iIncorporation fees (NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive assessment by the State Board of Internal Revenue for Registration of Business Premises

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by officers from the State Board of Internal Revenue (SBIR). The SBIR may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 20,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10. Register business premises with the State Board of Internal Revenue

Time: 2 days

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the State Board of Internal Revenue registers and issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

OSUN, Osogbo

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 3 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Ibadan and accounts for the travel time. In practice, lawyers do not charge a separate transportation fee to stamp the documents in Ibadan. Transportation costs are billed into the lawyer's legal fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 200

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 21 days

Cost: NGN 107,000 (NGN 80,000 for legal fees + NGN 20,000 incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 2, statement of share capital;
c. Form CAC 3, Notice of registered address;
d. Form CAC 7, Particulars of directors;
e. Form CAC 4, Declaration of compliance and the prescribed registration fees;
f. Copy of the reservation of company name approval:
g. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 12,500

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 12,500 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry registers and issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

OYO, Ibadan

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 4 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Ibadan and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Register the company with the Corporate Affairs Commission

Time: 15 days

Cost: NGN 107,000 (NGN 80,000 for legal fees + NGN 20,000 incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000. Payment is received at the cashier's desk in the CAC.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 80,000 to handle the entire incorporation process in this state.

Procedure 5. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 6*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 7. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 8. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 50,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 50,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 9. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 3 days

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry registers and issues a business premises permit to the new business.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

PLATEAU, Jos

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 5 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually as long as 5 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Abuja and accounts for the travel time. The transportation cost and out of pocket expenses associated with this procedure are not charged separately, but are included in the final bill charged by the lawyers for handling the incorporation.

Procedure 3*. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges+ NGN 20,000 incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank, but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 1 day

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 1 day

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 2 days

Cost: NGN 8,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

RIVERS, Port Harcourt

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 10 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually as long as 10 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 7 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Port Harcourt and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 11 days

Cost: NGN 60,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 3 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Pay registration fees for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 10,000 is the approximate cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: Following payment of the assessed registration fees for business premises permit into a designated government account, the Ministry of Commerce and Industry registers and issues a business premises permit to the new business.

STARTING A BUSINESS

SOKOTO, Sokoto

Standard company legal form: Limited Liability Company

Paid in minimum capital requirement: none

Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 2 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 2 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 5 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is a stamp duty office located in the state capital in Sokoto and housed in the same premises with the CAC.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 20

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 Incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of Memorandum and Articles of Association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 11 days

Cost: NGN 100,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 100,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 4 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new

company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);
b. Completed FIRS questionnaire;
c. Copy of memorandum and articles of association;
d. Names and addresses of directors;
e. Copy of the certificate of incorporation;
f. Name, address of tax adviser;
g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Receive an inspection from the Ministry of Commerce and Industry for business premises registration

Time: 7 days

Cost: No cost

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the Ministry of Commerce and Industry. The Ministry of Commerce may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9*. Obtain a business premises permit from the state's Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 20,000

Comments: The owner applies at the Ministry of Commerce and Industry for a business premises permit. The fees are paid at the Ministry. The business permit fee for general business activities is NGN 20,000 for initial registration, and 50% of this amount for subsequent annual renewals.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

TARABA, Jalingo

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 4 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 3-4 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 4 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;
b. Completing the requisite statutory forms, and;
c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one.The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Yola and accounts for the travel time. The transportation cost and out of pocket expenses associated with this procedure are not charged separately, but are included in the final bill charged by the lawyers for handling the incorporation.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4*. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + NGN 20,000 Incorporation fees [NGN 10,000 for company whose nominal share capital is NGN1,000,000 or less + NGN10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank, but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);
b. Form CAC 3, Notice of registered address;
c. Form CAC 7, Particulars of directors;
d. Form CAC 4, Declaration of compliance and the prescribed registration fees;
e. Copy of the reservation of company name approval;
f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 2 days

Cost: NGN 2,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is thereafter issued.

*This procedure can be completed simultaneously with previous procedures.

YOBE, Damaturu

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN 200 from an accredited bank. The system is widely used, but in most cases applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name is usually 3 days. The company name reservation lasts 60 days, but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 20 days

Cost: NGN 13,098 (stamp duty at 0.75% of share capital + NGN 1,000 for extra stamped copy of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Maiduguri, Borno State, and accounts for the travel time. The transportation cost and out of pocket expenses associated with this procedure are not charged separately, but are included in the final bill charged by the lawyers for handling the incorporation.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 27,200 (NGN 200 for bank draft charges + NGN 20,000 incorporation fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 10,000 for the remaining NGN 546,350 share capital] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Applicant is required to obtain a bank draft in the name of the Corporate Affairs Commission as the mode of payment of registration fees. The cost of the bank draft may vary slightly depending on the bank but it is typically around NGN 200 for a draft in the amount of the CAC registration fees.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 7 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7*. Register for personal income tax PAYE at the State Tax Office

Time: 2 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 5,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is issued.

*This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

ZAMFARA, Gusau

Standard company legal form: Limited Liability Company
Paid in minimum capital requirement: none
Data as of: January 2010

Procedure 1. Check the availability of company's name with the Corporate Affairs Commission (CAC)

Time: 3 days

Cost: NGN 200

Comments: The Corporate Affairs Commission online system allows for online search of unique company names upon the purchase of an e-payment card for a flat fee of NGN200 from an accredited bank. The system is widely used but in most cases, applicants have to go to the CAC office to complete this procedure. The time to conduct the availability of name search, receive confirmation and reserve the company name usually takes 3 days. The company name reservation lasts 60 days but can be renewed for a similar period.

Procedure 2. Prepare the requisite incorporation documents and pay the stamp duty

Time: 8 days

Cost: NGN 23,098 (stamp duty at 0.75% of share capital + NGN 500 for incorporation forms + NGN 1,000 for stamping extra copies each of the memorandum and articles of association + NGN 10,000 transport costs to Sokoto to handle stamping of the incorporation documents)

Comments: This procedure involves the following tasks:

a. Preparing and printing the memorandum and articles of association;

b. Completing the requisite statutory forms, and;

c. Having the memorandum and articles of association stamped by the Federal Board of Inland Revenue Service.

There is no stamp duty office in this state and the procedure is usually done in the nearest city where there is one. The time for preparation of documents and stamping presented here is based on an assumption that the stamping is conducted at the stamp duty office in Sokoto and accounts for the travel time. Transportation cost to handle the stamping out-of-state is included in the cost for this procedure and the common practice is for the lawyers to charge this separately from the professional fees.

Procedure 3. Declaration of Compliance (Form CAC 4) signed before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A sworn declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn to by (i) a barrister or solicitor engaged in the formation of the company or (ii) by a person named in the memorandum and articles of association as a director or secretary of the company. This procedure can be done before a notary public or filed at the state or federal High Court. The common practice is for this declaration to be sworn before a Commissioner of Oaths at the state High Court.

Procedure 4. Pay incorporation fees to the Corporate Affairs Commission at a designated bank

Time: 1 day

Cost: NGN 27,000 (NGN 20,000 registration fees [NGN 10,000 for first 1 million shares and then NGN 10,000 for every 1 million of part thereof] + NGN 3,000 for certified true copy of memorandum and articles of association + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders)

Comments: Payment is made to any of the receiving banks designated by the Corporate Affairs Commission.

Procedure 5. Register the company with the Corporate Affairs Commission

Time: 14 days

Cost: NGN 50,000 (legal fees)

Comments: The applicant must file with the Corporate Affairs Commission the required incorporation documents and forms, which include:

a. Stamped memorandum and articles of association (2 copies);

b. Form CAC 3, Notice of registered address;

c. Form CAC 7, Particulars of directors;

d. Form CAC 4, Declaration of compliance and the prescribed registration fees;

e. Copy of the reservation of company name approval;

f. Form CAC 2, Statement of share capital and return of allotment of shares.

The CAC introduced a same-day incorporation option at an increased statutory fee (5 times that of standard incorporation). The fee schedule for registration is the following: for the first NGN 1,000,000 of nominal capital: NGN 10,000; for every NGN 1,000,000 or less thereof of nominal capital after the first NGN 1,000,000: NGN 10,000; filing fee for the certified true copies of 3 forms (CAC 3, CAC 2 and CAC 7): NGN 7,000.

There is a legal requirement for the company's incorporators to hire a CAC accredited professional usually a lawyer to undertake the administrative incorporation procedures. Given that the use of lawyers for such purposes is mandatory throughout the country, lawyer fees are accounted for in the overall incorporation costs. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6. Register with the integrated Tax Office of the Federal Board of Inland Revenue for income tax and VAT

Time: 5 days

Cost: No cost

Comments: Entrepreneurs can register for both corporate income tax and VAT at the new Integrated Tax Office. For corporate income tax, the Federal Inland Revenue Service (FIRS) will require the applicant to complete tax registration forms. The new company registers at a Federal Tax Office nearest to its place of business or registered office. A letter is written to the tax authority applying for a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

a. Taxpayer registration input form (TRIF/2006/001 COYS);

b. Completed FIRS questionnaire;

c. Copy of memorandum and articles of association;

d. Names and addresses of directors;

e. Copy of the certificate of incorporation;

f. Name, address of tax adviser;

g. Letter of appointment of tax adviser and a letter of acceptance.

The application forms must be in triplicate and the original certificate of incorporation must be presented for 'sighting' by the controller before registration can be completed. Upon receipt of the completed taxpayer registration input form and all documents, a tax reference number is allocated. An application must be filed for the tax clearance certificate. Its issuance is not automatic.

The fees for the tax clearance issuance are as follows: for newly registered companies within 6 months of incorporation: no fee; for companies that are yet to commence business and show up for registration after 6 months of incorporation, if they request for tax clearance certificate a pre-operation levy of NGN 25,000 is payable for the first time and NGN 20,000 is payable for subsequent years until it files a notice of commencement of business.

Companies required to register for VAT should complete the VAT registration form (VAT Form 001, obtainable free of charge from all FIRS offices) and return it to the nearest integrated tax office, which will issue a taxpayer identification number (TIN). According to the VAT Act, companies required to register for VAT must do so within 6 months from the date of starting business operations. The TIN is issued in 1-2 days, but it is mailed with the VAT certificate, which is issued in a week.

Procedure 7. Register for personal income tax PAYE at the State Tax Office

Time: 3 days

Cost: No cost

Comments: The employers in the newly incorporated company are required to register with the relevant state tax authority for the purposes of deducting income tax from employees. Once an application is filed with a copy of the certificate of incorporation attached, a reference file is then opened for the company. There is no cost related to this registration.

Procedure 8. Register business premises with the Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 10,000

Comments: The newly incorporated company is required to register its business premises with the state Ministry of Commerce. Payments are made in cash directly to the Ministry of Commerce and Industry and a permit for business premises registration is thereafter issued.

*This procedure can be completed simultaneously with previous procedures.

LIST OF PROCEDURES

Dealing with construction permits

ABIA, Aba

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 14 days

Cost: NGN 100,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the survey plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report. Site Analysis Reports are only required of residential buildings. Commercial buildings require an EIA.

Procedure 2. Apply for a building permit at the Aba Town Planning Authority

Time: 1 day

Cost: NGN 248,990 (NGN 55,740 planning rate + NGN 146,250 inspection fee + NGN 5,000 registration fee + NGN 2,000 charting fee + NGN 10,000 fencing fee + NGN 5,000 certificate of fitness for habitation fee + NGN 10,000 stage permits + NGN 5,000 commencement of foundation fee + NGN 5,000 local government fee + NGN 5,000 administration fee)

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Aba Town Planning Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Five sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Three-year tax clearance certificate;

f. Certificate of structural stability signed by a registered engineer.

The documents are reviewed by the Aba Town Planning Authority. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Aba Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Within 7 working days after BuildCo has submitted its application, the Aba Town Planning Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The inspection report is then attached to the documents and drawings BuildCo submitted originally, and forwarded to the Town Planning Authority for final review and approval.

Procedure 4. Obtain a building permit from the Aba Town Planning Authority

Time: 21 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Aba Town Planning Authority examines the documents submitted and issues BuildCo a building permit, along with signed copies of the plan. BuildCo must keep one copy on the construction-site, to be presented when inspectors from the Aba Town Planning Authority come during construction for inspection. When BuildCo retrieves its building permit, it informs the Town Planning Authority of the day when the construction starts, so as to schedule an initial inspection.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6*. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Aba, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 7. Receive an inspection at setting out level by the Aba Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Before the construction starts. BuildCo must wait for the Aba Town Planning Authority to send a team of inspectors to the construction-site to conduct an inspection. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. At the end of the inspection, the Town Planning Authority issues BuildCo a receipt stating that the construction has been carried out according to the approved building plans.

Procedure 8. Receive an inspection at foundation level by the Aba Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Aba Town Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the Town Planning Authority issues BuildCo a receipt stating that the construction has been carried out according to the approved building plans.

Procedure 9. Receive an inspection at first floor level by the Aba Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the ceiling of the first floor is complete, BuildCo's architect must notify the Aba Town Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the Town Planning Authority issues BuildCo a receipt stating that the construction has been carried out according to the approved building plans.

Procedure 10. Receive an inspection at second floor level by the Aba Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the walls of the second floor are complete, BuildCo's architect must notify the Aba Town Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the Town Planning Authority issues BuildCo a receipt stating that the construction has been carried out according to the approved building plans.

Procedure 11. Receive an inspection at roof level by the Aba Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the roof of the building is complete, BuildCo's architect must notify the Aba Town Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the Town Planning Authority issues BuildCo a receipt stating that the construction has been carried out according to the approved building plans.

Procedure 12. Obtain a certificate of fitness for habitation from the Aba Town Planning Authority

Time: 7 days

Cost: No cost

Comments: After the building has been completed, the Aba Town Planning Authority issues BuildCo a certificate of fitness for habitation that certifies that the construction has been carried out according to the approved building plans, and that BuildCo can now occupy the building.

Procedure 13*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 5,000 (wireless land line)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). In Aba, Nigerian companies also have the option of using a fixed wireless phone (MULTILINKS), at a higher cost (NGN 5,000). The phone line can be connected at any time before and during the construction.

Procedure 14. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 31,500 (3 phase credit meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the 3 phase meter required. An inspection is then conducted. PHCN has not yet started introducing 3 phase pre-paid meters in Abia. At the moment, new connections are supplied with a credit meter.

Procedure 15. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: After submitting the documents to PHCN, an electrical contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria) carries out an inspection on behalf of PHCN. After the inspection, the electrical contractor drafts a report and submits it to PHCN.

Procedure 16. Obtain a permanent electricity connection from PHCN

Time: 21 days

Cost: NGN 25,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity.

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

ADAMAWA, Yola

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 19 days

Cost: NGN 43,000 (0.25% of the first NGN 2 million of the warehouse value + 0.2% of the next NGN 3 million + 0.1% of the next 15 million + 0.05% of the next 30 million + 0.02% of the next NGN 50 million)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself. The cost of the EIA depends on the size of the project.

Procedure 2. Obtain a proof of ownership from the Ministry of Land and Survey

Time: 5 days

Cost: No cost

Comments: In addition to the certificate of ownership, which BuildCo already possesses, BuildCo must obtain a proof of ownership from the Ministry of Lands and Survey, in order to ensure that all ground rent payments on the property are up to date.

Procedure 3. Obtain a building plan approval from the Ministry of Works

Time: 5 days

Cost: NGN 5,000

Comments: Since the project involves a multi-storied building, BuildCo must submit all drawings and proofs of ownership to the Ministry of Works, where public architects and engineers review and approve the drawings.

Procedure 4. Apply for a building permit at the Adamawa State Urban Planning and Development Authority

Time: 1 day

Cost: NGN 4,500 (NGN 2,500 building plan approval + NGN 2,000 insurance of building permit)

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Adamawa State Urban Planning and Development Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, waste disposal layout, schedule of sanitary fittings).

The documents are reviewed by officers at the Adamawa State Urban Planning and Development Authority. An on-site inspection will follow.

Procedure 5. Receive a pre-approval inspection from the Adamawa State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Adamawa State Urban Planning and Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Adamawa State Urban Planning and Development Authority for final review and approval.

Procedure 6. Obtain a building permit from the Adamawa State Urban Planning and Development Authority

Time: 5 days

Cost: No cost

Comments: After the inspection and the payments have been completed, BuildCo's application is reviewed by the housing department, the engineering department and the health department. Once each department has endorsed the drawings, the application goes to the director of planning for final approval.

Procedure 7. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 8*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 9. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 10. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank. BuildCo must then submit the receipt of the payment to the local PHCN for the electricity connection to proceed.

Procedure 11. Obtain a permanent electricity connection from PHCN

Time: 24 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

AKWA IBOM, Uyo

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report and a site analysis report from a registered town planner

Time: 10 days

Cost: NGN 115,000 (NGN 100,000 environmental impact assessment report + NGN 15,000 site analysis report)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. The same town planner also prepares a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. After the inspection, the town planner drafts the EIA report and SAR, and gives 2 copies of each report to Buildco, and retains one copy for himself.

Procedure 2. Swear an affidavit of plot ownership at the High Court

Time: 1 day

Cost: NGN 200 (court fee)

Comments: BuildCo must swear an affidavit at the State High Court deposing to certify his ownership of the land on which the construction is to be made.

Procedure 3. Apply for a building plan approval at the Uyo Capital City Development Authority

Time: 1 day

Cost: NGN 79,500 (NGN 10,000 inspection fee + NGN 60,000 approval fee [NGN 50,000 for the first floor level and NGN 10,000 for each additional floor level] + NGN 7,500 fencing fee + NGN 2,000 security post fee)

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Uyo Capital City Development Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, waste disposal layout, schedule of sanitary fittings).

The documents are reviewed by officers at the Uyo Capital City Development Authority (UCCDA). An on-site inspection will follow. After the inspection, BuildCo is required to make the necessary payment at the accounts department in the UCCDA premises.

Procedure 4. Receive a pre-approval inspection from the Uyo Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Uyo Capital City Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Director of Development Control for final review and approval.

Procedure 5. Obtain a building plan approval from the Uyo Capital City Development Authority and pay the setting out fee

Time: 60 days

Cost: NGN 1,000 (setting out fee)

Comments: After the inspection and the payments have been completed, the Director of Development Control makes a recommendation to the Chairman, in charge of the final approval. Before approval is given, the Uyo Capital City Development Authority (UCCDA) sends the drawings to an external consultant for review, which explains why this procedure is time consuming. If granted, the UCCDA gives BuildCo a set of buildings plans marked with stamps of approval, along with a letter of approval bearing the signature of the Director and the Executive Secretary and a registration number to be displayed on the construction-site. The approval is valid for 18 months, after which a revalidation will be required. When coming to the Authority to obtain its building plan approval, BuildCo pays a setting out inspection fee of NGN 1,000 at the cash office.

Procedure 6. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7*. Pay a compensation to the natives

Time: 7 days

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Uyo, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 8. Receive an inspection at setting out level from the Uyo Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Uyo Capital City Development Authority that sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 9. Receive an inspection during construction from the Uyo Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Uyo do not follow any particular order. During construction, a team of inspectors from the Uyo Capital City Development Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, 2 of these random inspections occur.

Procedure 10. Receive an inspection during construction from the Uyo Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. Electricity connection fees are usually paid with a bank draft.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 18 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

ANAMBRA, Onitsha

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain a site analysis report and a town planner Technical Report (TPTR) from a registered town planner

Time: 14 days

Cost: NGN 62,500 (NGN 22,500 site analysis report + NGN 40,000 TPTR)

Comments: BuildCo hires a registered town planner to draft a site analysis report and a town planners Technical Report (TPTR), documents both drafted by the same town planner at the same time. To obtain the site analysis report, BuildCo must provide the town planner with the survey plan (usually attached to the Certificate of Occupancy) and the site plan (prepared by BuildCo's architect). The town planner then checks his records, conducts an on-site inspection and drafts the report. For the TPTR, BuildCo must provide the architectural plan, the location plan and the survey plan to the town planner, who will verify the location, the access to roads and the surrounding car parks. After this inspection, the town planner drafts a report containing the layout plan (position of the warehouse within the plot) and the percentage of the built area within the plot of land. Contrary to the site analysis report, the TPTR is required only for commercial and industrial buildings, and contrary to the environmental impact assessment report, the TPTR is required even of warehouses storing non hazardous material

Procedure 2. Apply for a building plan approval at the Anambra State Urban Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Anambra State Urban Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Five sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Site analysis report;

e. Three-year tax clearance certificate;

f. Certificate of structural stability signed by a registered engineer;

g. Receipt of payment of fees.

The documents are reviewed by Anambra State Urban Development Board. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 57,010 (NGN 500 application form + NGN 5,000 registration fee + NGN 19,510 inspection fee [NGN 5 per cubic meter] + NGN 100 filing fee + NGN 300 building regulation fee + NGN 10,000 development fee [NGN 10 per square meter of the area of the plot] + NGN 2,000 approval fee + NGN 5,000 building completion fee + NGN 5,000 setting out fee + NGN 9,600 fencing fee)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Anambra State Urban Development Board. The Board then schedules a pre-approval inspection at BuildCo's development site.

Procedure 4. Receive a pre-approval inspection from the Anambra State Urban Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Anambra State Urban Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Anambra State Urban Development Board for final review and approval.

Procedure 5. Obtain a building plan approval from the Anambra State Urban Development Board

Time: 21 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the documents submitted for approval - along with the inspection report, the receipt issued by the bank and the remaining copies of the plan - are scrutinized by the engineers and architects working for the Anambra State Urban Development Board. After each professional has cleared BuildCo's application, the zonal town planner of the Anambra Urban Development Board puts a final stamp on the application, granting the approval. If the approval hasn't been granted in 21 days, BuildCo can assume that the permission has been granted de facto and proceed with the construction. With the building plan approval, BuildCo is given a Work Progress Chart on which inspectors will record every inspection conducted during construction. The inspection schedule mentioned on the Work Progress Chart is not followed dutifully, but serves as a guideline.

Procedure 6. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7*. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Onitsha, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 8. Receive an inspection at setting out level from the Anambra State Urban Development Board

Time: 2 days

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Anambra State Urban Development Board. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the work progress chart kept on-site by the supervising architect.

Procedure 9. Receive an inspection at first floor level from the Anambra State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Anambra State Urban Development Board. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the work progress chart kept on-site by the supervising architect.

Procedure 10. Receive an inspection at second floor level from the Anambra State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the first floor is complete, BuildCo's architect must notify the Anambra State Urban Development Board. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the work progress chart kept on-site by the supervising architect.

Procedure 11. Request and receive a final inspection from the Anambra State Urban Development Board

Time: 1 day

Cost: No cost

Comments: BuildCo notifies the Anambra State Urban Development Board that the construction is completed. A final inspection ensues, during which the Urban Development Board ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 12. Obtain a certificate of completion from the Anambra State Urban Development Board

Time: 21 days

Cost: No cost

Comments: After the final inspection, the Anambra State Urban Development Board issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 13*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 14. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 62,500 (NGN 10,000 processing fee + NGN 52,500 pre-paid 3 phase meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 15. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 16. Obtain a permanent electricity connection from PHCN

Time: 26 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

BAUCHI, Bauchi

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report and a site analysis report from a town planner at the Bauchi State Urban Development Board

Time: 5 days

Cost: NGN 50,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. The same town planner also prepares a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. After the inspection, the town planner drafts the EIA report and SAR, and gives 2 copies of each report to Buildco, and retains one copy for himself. BuildCo has the choice between hiring a professional from the Bauchi State Urban Development Board, a common practice, or hire a private professional.

Procedure 2. Apply for a building plan approval at the Bauchi State Urban Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Bauchi State Urban Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Four sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);

- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report.

The documents are reviewed by Bauchi State Urban Development Board. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Bauchi State Urban Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Bauchi State Urban Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Bauchi State Urban Development Board for final review and approval.

Procedure 4. Obtain a building plan approval from the Bauchi State Urban Development Board

Time: 14 days

Cost: NGN 260,000 (NGN 200 per square meter)

Comments: After the inspection and the payments have been completed, the Bauchi State Urban Development Board examines the documents submitted and issues BuildCo a building permit. Based on the 1970 law, the fee should be NGN 200 per square meter, but the law is currently being reviewed. Payment is made in cash at the Bauchi State Urban Development Board.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6. Receive an inspection at setting out level by the Bauchi State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Bauchi State Urban Development Board. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 7. Receive an inspection at lintel level by the Bauchi State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the lintel is complete, BuildCo's architect must notify the Bauchi State Urban Development Board. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 8*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 10,000 (wireless land line)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). In Bauchi, Nigerian companies also have the option of using a fixed wireless phone (MULTILINKS), at a higher cost (NGN 10,000). The phone line can be connected at any time before and during the construction.

Procedure 9. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted.

Procedure 10. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank. BuildCo must then submit the receipt of the payment to the local PHCN for the electricity connection to proceed.

Procedure 11. Obtain a permanent electricity connection from PHCN

Time: 26 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in about a week, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

BAYELSA, Yenagoa

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment Report and a site analysis report from a registered town planner

Time: 7 days

Cost: NGN 110,000 (NGN 95,000 environmental impact assessment report + NGN 15,000 site analysis report)

Comments: BuildCo hires a registered town planner, recognized by the Bayelsa Capital City Development Authority, to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. The same town planner also prepares a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. After the inspection, the town planner drafts the EIA report and SAR, and gives 3 copies of each report to Buildco, and retains one copy for himself.

Procedure 2. Swear deposition on the application form before the Commissioner of Oaths

Time: 1 day

Cost: NGN 200

Comments: BuildCo has to swear deposition on the application forms before the Commissioner of Oaths, in order to attest the authenticity of its ownership of the property in question.

Procedure 3. Apply for a building plan approval at the Bayelsa Capital City Development Authority

Time: 7 days

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Bayelsa Capital City Development Authority (BCCDA), along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Three sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report;

f. Three-year tax clearance certificate;

g. Certificate of structural stability signed by a registered engineer;

h. Receipt of payment of the development levy.

The documents are reviewed by the Director of Development Control at the BCCDA, and the drawings are used to calculate the applicable fees. BuildCo is also given an application form, which is required to be sworn to before the Commissioner of Oaths. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 109,900 (NGN 15,000 inspection fee + NGN 2,000 commercial registration fee + NGN 92,900 approval fee [NGN 100 per square meter of the plot])

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Bayelsa Capital City Development Authority. The Authority then schedules an on-site inspection.

Procedure 5. Receive a pre-approval inspection from the Bayelsa Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Bayelsa Capital City Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Bayelsa Capital City Development Authority for final review and approval.

Procedure 6. Submit additional documents to the Bayelsa Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: After inspection, BuildCo must present these additional document to the Bayelsa Capital City Development Authority:

a. Title document proving ownership;

b. Application form, duly sworn before the Commissioner of Oaths;

c. Three-year tax clearance certificate;

d. Certificate of incorporation;

e. Articles of association;

f. Receipt of payment of fees.

The Bayelsa Capital City Development Authority receives the documents and opens a file for BuildCo attached to a registration number.

Procedure 7. Obtain a building plan approval from the Bayelsa Capital City Development Authority

Time: 30 days

Cost: No cost

Comments: After the inspection and the payments have been completed, BuildCo submits the sets of drawings to the Bayelsa Capital City Development Authority (BCCDA). The documents are reviewed by the Director of Development Control, who subsequently writes a report with recommendations to the Executive Secretary in charge of the final approval. If granted, the BCCDA gives BuildCo a set of buildings plans marked with stamps of approval, along with a letter of approval bearing the signature of the Director and the Executive Secretary and a registration number to be displayed on the construction-site. The building plan approval is valid for 24 months.

Procedure 8. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 9*. Pay a compensation to the natives

Time: 7 days

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Yenagoa, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company. BuildCo may have to meet with the village head or his representative. Negotiations can take up to 7 days.

Procedure 10. Receive an inspection during construction from the Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Yenagoa do not follow any particular order. During construction, a team of inspectors from the Bayelsa Capital City Development Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, 2 inspections occur.

Procedure 11. Receive an inspection during construction from the Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 12*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 13. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 14. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 15. Obtain a permanent electricity connection from PHCN

Time: 14 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

BENUE, Makurdi

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Apply for a building permit at the Benue Urban Development Board

Time: 1 day

Cost: NGN 95,085 (NGN 65,050 development fee [NGN 50 per square meter] + NGN 35 jacket fee + NGN 30,000 service drawing fee [NGN 10,000 per set of drawing : mechanical, electrical and engineering])

Comments: In order to obtain a building permit, BuildCo must submit an application form to the Urban Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

f. Three-year tax clearance certificate.

The documents are reviewed by the Urban Development Board control team, comprised of architects, town planners, surveyors and engineers. An on-site inspection will follow.

Procedure 2. Receive a pre-approval inspection by the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Benue Urban Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Benue Urban Development Board for final review and approval.

Procedure 3. Obtain a building permit from the Benue Urban Development Board

Time: 30 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Benue Urban Development Board examines the documents submitted and issues BuildCo a building permit.

Procedure 4. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 5. Receive an inspection during construction from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Although the National Building Code lists a precise inspection schedule, inspections in Makurdi do not follow any particular order. During construction, a team of inspectors from the Urban Development Board randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In response to an increase in building collapse in Nigeria, the government has set up a Prevention Inspection and Failure Analysis Committee (PIFAC) to check the quality and standard of buildings. The team of inspectors in charge of carrying inspections for the Urban Development Board - who are assigned designated parts of the city (North, South) - report to PIFAC. The Task Force reporting to the Commissioner of PIFAC also visits the site to ensure that construction is being supervised by qualified professionals and that the building is up to standards. In practice, an average of four inspections occur during construction.

Procedure 6. Receive an inspection during construction from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 7. Receive an inspection during construction from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 8. Receive an inspection during construction from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Request and receive a final inspection from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: BuildCo notifies the Benue Urban Development Board that the construction is completed. A final inspection ensues, during which the Urban Development Board ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 10. Obtain a certificate of completion from the Benue Urban Development Board

Time: 7 days

Cost: NGN 10,000

Comments: After the final inspection, the Benue Urban Development Board issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 5,000 (wireless land line)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). In Makurdi, Nigerian companies also have the option of using a fixed wireless phone (MULTILINKS), at a higher cost (NGN 5,000). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 30 days

Cost: NGN 20,000 (contractor fee)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

BORNO, Maiduguri

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 5 days

Cost: NGN 50,000

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the survey plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report.

Procedure 2. Apply for a development permit at the Borno Urban and Regional Planning and Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Borno Urban and Regional Planning and Development Board along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Three sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. environmental impact assessment report.

The documents are reviewed by the Borno Urban and Regional Planning and Development Board. An on-site inspection will follow.

Procedure 3. Receive a pre-approval inspection from the Borno Urban and Regional Planning and Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, inspectors from the Borno Urban and Regional Planning and Development Board conduct an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Borno Urban and Regional Planning and Development Board for final review and approval.

Procedure 4. Obtain a development permit from the Borno Urban and Regional Planning and Development Board

Time: 15 days

Cost: NGN 270,180 (NGN 200 per square meter for development permit fee + NGN 10,000 inspection fee)

Comments: After the inspection and the payments have been completed, the documents submitted for approval – along with the inspection report – are reviewed by the Urban and Regional Planning and Development Board for final approval. If granted, BuildCo is issued a development permit.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 700,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. As water sources are located deep under the ground in Maiduguri, it can be very expensive to drill a borehole.

Procedure 6. Receive an inspection during construction from the Borno Urban and Regional Planning and Development Board

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Borno Urban and Regional Planning and Development Board. A team of town planners, architects, structural engineers and mechanical engineers visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 7. Receive an inspection during construction from the District Planning Area Inspectors

Time: 1 day

Cost: No cost

Comments: During construction, a team of inspectors from the District Planning Area – under whose jurisdiction the building is located – inspects the building and drafts an inspection report.

Procedure 8. Receive a final fire inspection from the Fire Directorate

Time: 1 day

Cost: No cost

Comments: By Law, BuildCo is required to go to the Fire Directorate to ask for a fire inspection. A fire team accompanies BuildCo back to the site to inspect it, in order to ensure that the construction has proper fire exits, sprinkler, fire alarms, etc.

Procedure 9. Obtain a certificate of completion and fitness for habitation for habitation from the Borno Urban and Regional Planning & Development Board

Time: 7 days

Cost: No cost

Comments: In practice, the certificate can be issued by the Engineering Department in 7 days. However, before the certificate can be officially issued, proof must be made that the property does not deteriorate when in use. The property is thus observed during 6 months, at the end of which the certificate is issued. The building, however, can be occupied and used after 7 days. This certificate is not required to obtain utility connection.

Procedure 10*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 11. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted.

Procedure 12. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building.

Procedure 13. Obtain a permanent electricity connection from PHCN

Time: 24 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 3 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

CROSS RIVER, Calabar

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact statement from a registered town planner

Time: 14 days

Cost: NGN 150,000 (town planner fee)

Comments: BuildCo contracts the service of a registered town planner to conduct an inspection and prepare the environmental impact statement (EIS). The EIS is a combination of the environmental impact assessment report and the site analysis report into one document. Three copies are required. The EIS report describes the nature and use of the building, and how its operation will affect the neighboring environment. It also describes the layout, vegetation, topography of the site and accessibility of the site to essential services. The town planners have a professional scale of fees, but most of the times they negotiate out of it.

Procedure 2. Apply for a building plan approval at the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Town Planning Department, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Three sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental Impact Statement;
e. Three-year tax clearance certificate;
f. Receipt of payment of the fees.

The documents are registered by the Town Planning Department and reviewed by the Architectural, Engineering and Health departments. An on-site inspection will follow. The reason why BuildCo must submit 3 sets of drawings is that, after the building approval has been granted, two copies are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Town Planning Department conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. Inspectors also assess what fees need to be paid. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Director of Town Planning Department who makes recommendations to the Commissioner for final approval. The pre-approval inspection is usually carried out within 7 days of the submission of the documents.

Procedure 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 70,000 (NGN 60,000 approval fee [NGN 50,000 first floor level + NGN10,000 per additional floor level] + NGN 5,000 fencing fee + NGN 5,000 security post fee)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Town Planning Department.

Procedure 5. Obtain a building plan approval from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 90 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Town Planning department examines BuildCo's application, along with the inspection report. If approval is granted, the Town Planning Departments gives BuildCo a set of building plans marked with stamps of approval, along with a letter of approval from the Town Planning Department and a registration number to be displayed on the construction-site. The approval is valid for 18 months, after which a revalidation is required.

Procedure 6. Receive an inspection during construction from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Calabar do not follow any particular order. During construction, a team of inspectors from the Town Planning Department randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. In practice, 2 inspections occur during construction.

Procedure 7. Receive an inspection during construction from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 8*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 5,250 (NGN 5,000 handset + NGN 250 sim card)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 9. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 62,500 (NGN 52,500 per 3 phase pre-paid meter + NGN 10,000 processing fee)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required.

Procedure 10. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 11. Obtain a permanent electricity connection from PHCN

Time: 26 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

Procedure 12. Apply for water connection to the Cross River State Water Corporation

Time: 1 day

Cost: NGN 2,000

Comments: The Cross River State Water Corporation is very efficient. Nobody relies on boreholes for water supply. Connection costs only NGN 2,000 but the developer must provide all necessary plumbing material. The developer is merely required to visit the water corporation office, fill the form and pay the fees.

Procedure 13. Receive an inspection from the Cross River State Water Corporation

Time: 1 day

Cost: No cost

Comments: After receiving BuildCo's application, the Cross River State Water Corporation conducts an on-site inspection.

Procedure 14*. Obtain a permanent water connection from the Cross River State Water Corporation

Time: 5 days

Cost: No cost

Comments: Connection is completed within 5 days.

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

DELTA, Warri

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain a fire safety report from the Fire Service Department

Time: 8 days

Cost: NGN 20,000

Comments: BuildCo goes to the Fire Service Department to submit the architectural and site plans, which the department inspects. Then the Fire Service Department comes to inspect the plot, determine the potential fire hazards and advise the construction company on the precautions to be taken. A fire safety report is issued and given to BuildCo at the end of the inspection.

Procedure 2*. Obtain a site analysis report from a registered town planner

Time: 3 days

Cost: NGN 5,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. In Delta, the report is required of all heavy constructions, including warehouses.

Procedure 3. Apply for a building plan approval at the Town Planning Office of the Delta State Ministry of Land

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Town Planning Office of the Ministry of Land, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Five sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Site analysis report;

e. Three-year tax clearance certificate;

f. Fire safety report;

g. Certificate of structural stability signed by a registered engineer.

The documents are first reviewed by the area planning officer, who checks whether the documents are in order before submitting them to a technical assistant who determines the value of the plot. The cashier then issues a bill to be taken by BuildCo to a designated bank for payment. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction. In Delta, it is not required of construction companies to obtain an environmental impact assessment report for warehouses. Only bigger structures, or warehouses storing hazardous substances, would be asked to submit one.

Procedure 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 123,225 (NGN 25 per cubic meter in permit fee + NGN 2,500 registrar fee + NGN 25 allotment fee)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Town Planning Office. The Office then schedules an on-site inspection. Until few months ago, payment was to be made at the office, but to avoid corruption, payment must now be made at a bank.

Procedure 5. Receive a pre-approval inspection from the Town Planning Office of the Delta State Ministry of Land

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Town Planning Office conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Town Planning Office for final review and approval.

Procedure 6. Obtain a building plan approval from the Town Planning Office of the Delta State Ministry of Land

Time: 30 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the documents submitted for approval - along with the inspection report, the receipt issued by the bank and the remaining three copies of the plan - are given to the town planner for final approval. The documents are sent to an area planning officer, who then sends them to the Asaba headquarters for scrutiny by the director or commissioner of Town Planning, which explains why the procedure is time consuming. If granted, the authority issues BuildCo a building plan approval authorizing the construction of the warehouse to proceed. The approval is valid for 2 years.

Procedure 7. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 200,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. Warri is located only 6 meters above sea level, and drinkable water can be found close to the surface. As a result, it is less expensive to drill a borehole in Delta state.

Procedure 8*. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Warri, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 9. Receive an inspection during construction from the Town Planning Office of the Delta state Ministry of Land

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Warri do not follow any particular order. During construction, a team of inspectors from the Ministry of Land randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, 2 inspections occur.

Procedure 10. Receive an inspection during construction from the Town Planning Office of the Delta state Ministry of Land

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11. Receive a final inspection from the Town Planning Office of the Delta state Ministry of Land

Time: 1 day

Cost: No cost

Comments: By law, the company has to notify in writing that the construction has been completed. BuildCo notifies the Town Planning Office that the construction is completed. A final inspection ensues, during which the Town Planning Office ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety/construction standards described in the law. In practice, however, construction companies rarely bother with obtaining the certificate of completion.

Procedure 12. Obtain a certificate of fitness for habitation from the Town Planning Office of the Delta State Ministry of Land

Time: 7 days

Cost: No cost

Comments: If the final inspection determines that the construction has been carried out according to the building plans submitted, the Town Planning Office issues a certificate of fitness for habitation giving BuildCo the right to occupy the building.

Procedure 13*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 14. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 15. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 16. Obtain a permanent electricity connection from PHCN

Time: 37 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

EBONYI, Abakaliki

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain a site analysis report from a registered town planner

Time: 5 days

Cost: NGN 15,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. In Ebonyi, the report is required of all heavy constructions, including warehouses. The town planner typically carries out an inspection of the site, drafts the report, and give four copies to BuildCo.

Procedure 2. Apply for a building plan approval at the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: NGN 76,794 (NGN 500 application form + NGN 3,000 registration fee [NGN 2,500 ground floor + NGN 500 additional floors] + NGN 18,580 development rate [NGN20 per square meter of the plot area] + NGN 31,214 inspection fee [NGN 8 per cubic meter of the building volume] + NGN 10,500 setting out fee + NGN 7,500 fencing fee + NGN 5,500 building certificate of completion fee)

Comments: In order to obtain a building approval, BuildCo must submit a duly completed application form to the General Manager of the Abakaliki Capital Territory Development Board (ACTDB), along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Site analysis report;

e. Three-year tax clearance certificate.

BuildCo is informed of the fees on the same day of the application. Fees are paid at the account department in the ACTDB premises. The submitted documents are reviewed by the architectural, planning, engineering, and health departments of the ACTDB. After review, the documents are appended with the signature of approval of ACTDB's General Manager. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Abakaliki Capital Territory Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Abakaliki Capital Territory Development Board Urban for final review and approval.

Procedure 4. Obtain a building plan approval from the Abakaliki Capital Territory Development Board

Time: 28 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Abakaliki Capital Territory Development Board examines the documents submitted and issues BuildCo a building permit, along with 2 signed copies of the plan and a work progress chart to be signed after each inspection during construction. The approval is valid for 2 years, after which revalidation is needed.

Procedure 5. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6. Receive an inspection at setting out and setting-out stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 7. Receive an inspection at completion of excavation for concrete foundation stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the completion of excavation for concrete foundation stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 8. Receive an inspection at laying of concrete foundation stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the laying of concrete foundation stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 9. Receive an inspection at provision of damp proof course stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the damp proof course stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 10. Receive an inspection at internal partition of the rooms stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the partition of the room stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 11. Receive an inspection at setting of external walls up to last floor stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting of external walls stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 12. Receive an inspection at reinforcement and casting of lintels stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the lintels stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 13. Receive inspection after rods for slabs are ready for concrete from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the slabs are ready for concrete, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 14. Receive an inspection at completion of wall plate and roof members stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the completion of wall plate stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 15. Receive an inspection at fitting of doors and windows and completion of ceiling stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the completion of ceiling stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 16. Receive an inspection at excavation and construction of septic tank stage from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the excavation of the septic tank stage, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 17. Receive an inspection upon completion of the building from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction is completed, BuildCo's architect must notify the Abakaliki Capital Territory Development Board which within 2 days sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. After the inspection has been completed, the inspectors sign the work progress chart.

Procedure 18. Request and receive a final inspection from the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo applies to the Abakaliki Capital Territory Development Board for a certificate of completion. BuildCo must attach the work progress chart to indicate that the stages of construction have been duly complied with. This certificate proves that the construction meets all specifications and qualifications for habitation. A final inspection ensues, during which the Capital Territory Development Authority ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 19. Obtain a certificate of completion from the Abakaliki Capital Territory Development Board

Time: 3 days

Cost: No cost

Comments: After the final inspection, the Abakaliki Capital Territory Development Board issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 20*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 21. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Fees are paid through a bank draft to PHCN.

Procedure 22. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 23. Obtain a permanent electricity connection from PHCN

Time: 30 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

EDO, Benin City

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report and a site analysis report from a registered town planner

Time: 7 days

Cost: NGN 50,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. The same town planner also prepares a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. After the inspection, the town planner drafts the EIA report and SAR, and gives 3 copies of each report to Buildco, and retains one copy for himself.

Procedure 2*. Obtain a fire safety report from the Fire Service Department

Time: 5 days

Cost: NGN 7,000

Comments: BuildCo requests a fire safety report to the Fire Service Department and submits the architectural drawing for examination. The fire safety report details whether the proposed project is exposed to any fire-related risks, and details how the flames should be contained in the event of a fire.

Procedure 3. Apply for a building permit at the Edo Town Planning Authority

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Edo Town Planning Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report;

f. Three-year tax clearance certificate;

g. Fire safety report.

The documents are reviewed by officers of the Edo Town Planning Authority. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 4. Receive a pre-approval inspection from the Edo Town Planning Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Edo Town Planning Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. They also assess the fees to be paid by

BuildCo. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Edo Town Planning Authority for final review and approval.

Procedure 5. Obtain a building permit from the Edo Town Planning Authority

Time: 30 days

Cost: NGN 150,000

Comments: After the inspection and the payments have been completed, the Edo Town Planning Authority examines the documents submitted and issues BuildCo a building permit. The approval is valid for 24 months, after which a revalidation is required.

Procedure 6. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7*. Pay a compensation to the natives

Time: 7 days

Cost: NGN 200,000 (NGN 100,000 per plot)

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Benin City, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company. Negotiations can take up to 7 days.

Procedure 8. Receive an inspection during construction from the Edo Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Benin City do not follow any particular order. During construction, a team of inspectors from the Town Planning Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. In practice, during construction, 3 inspections happen.

Procedure 9. Receive an inspection during construction from the Edo Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Receive an inspection during construction from the Edo Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 30 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

EKITI, Ado-Ekiti

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 7 days

Cost: NGN 75,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area.

Procedure 2. Obtain a land use clearance from the Ministry of Lands and Housing

Time: 7 days

Cost: NGN 5,000

Comments: BuildCo must obtain a land use clearance to confirm that the use of the land on which the company plans to build the warehouse is suitable for the project. In order to obtain this document, the company must submit to the Ministry of Lands and Housing:

a. Survey plan;

b. Preliminary drawings;

c. Receipt of the sale of the land or CFO (as proof of ownership);

d. Affidavit.

Procedure 3. Apply for a building permit at the Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Ministry of Lands and Housing, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Land use clearance;

f. Three-year tax clearance certificate.

The documents are reviewed by officers at the Ministry of Lands and Housing, who assess the fees to be paid, based on the size of the building, the use of the building and the location of the plot. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 4. Pay the building permit fees at a designated bank

Time: 1 day

Cost: NGN 60,000

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Ministry of Lands and Housing.

Procedure 5. Receive a pre-approval inspection from the Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Ministry of Lands and Housing conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Ministry of Lands and Housing for final review and approval.

Procedure 6. Obtain a building permit from the Ministry of Lands and Housing

Time: 22 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Ministry of Lands and Housing examines the documents submitted and issues BuildCo a building permit, along with 2 signed copies of the plan. BuildCo must keep one copy on the construction-site, to be presented when inspectors from the Ministry of Lands and Housing come during construction for inspection.

Procedure 7. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 8. Receive an inspection at setting out level by the Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Ministry of Lands and Housing that sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 9. Receive an inspection at damp-proof course stage from the Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the flooring stage, BuildCo's architect must notify the Ministry of Lands and Housing that sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 10. Receive an inspection at roof level from the Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the roofing stage, BuildCo's architect must notify the Ministry of Lands and Housing that sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 23 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

ENUGU, Enugu

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain a site analysis report from a registered town planner

Time: 7 days

Cost: NGN 20,000

Comments: BuildCo hires a registered town planner to analyze the site and draft a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc.

Procedure 2. Apply for a building approval at the Enugu Town Planning Authority

Time: 1 day

Cost: NGN 55,100 (NGN 100 filing fee + NGN 2,500 registration fee + NGN 15,000 inspection fee + NGN 5,500 building certificate of completion fee + NGN 8,500 stage of work fee + NGN 4,000 ministry fee + NGN 9,500 fencing fee + NGN 10,000 planning fee)

Comments: In order to obtain a building approval, BuildCo must submit a duly completed application form to the Enugu Town Planning Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Site analysis report;

e. Three-year tax clearance certificate;

f. Local Government Area Capitation Rate.

The documents are reviewed by officers of the Enugu Town Planning Authority. The day after the documents have been submitted, the building company is informed about the fees to be paid. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Enugu Town Planning Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Enugu Town Planning Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Enugu Town Planning Authority for final review and approval.

Procedure 4. Obtain a building approval from the Enugu Town Planning Authority

Time: 18 days

Cost: No cost

Comments: After the inspection and the payments have been completed, BuildCo's application is reviewed by the health unit, works department and town planning unit of the Enugu Town Planning Authority. After review, BuildCo's application is recommended to the Chairman of the Town Planning Authority for final approval. In Enugu, a silent-is-consent rule applies: if the building permit approval is not issued within 21 days, the building company can assume that approval has been granted and start construction.

Procedure 5. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 2,000,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. Enugu's soil being very rich in coal, the water located under the city is unfit for drinking. As a result, boreholes must be sunk outside the city, often in an area called the "Ninth Mile". Most companies have boreholes there and bring water to the site via trucks.

Procedure 6*. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Enugu, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 7. Receive an inspection at setting out level from the Enugu Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Enugu Town Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.

Procedure 8. Receive an inspection at foundation level from the Enugu Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Enugu Town Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.

Procedure 9. Receive an inspection at first floor level from the Enugu Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the first floor, BuildCo's architect must notify the Enugu Town Planning Authority that sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.

Procedure 10. Receive an inspection at second floor level from the Enugu Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the second floor, BuildCo's architect must notify the Enugu Town Planning Authority that sends a team of inspectors to the construction-site. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.

Procedure 11. Request and receive a final inspection from the Enugu Town Planning Authority

Time: 1 day

Cost: No cost

Comments: When the construction is complete, BuildCo must apply to the Enugu Town Planning Authority for a certificate of completion and fitness for habitation for habitation. A final inspection follows, during which the Town Planning Authority ensures that BuildCo's warehouse abide by the details provided in the drawings and conforms to the safety/construction standards described in the law.

Procedure 12. Obtain a certificate of completion from the Enugu Town Planning Authority

Time: 7 days

Cost: No cost

Comments: After the final inspection, the Enugu Town Planning Authority issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 13*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 14. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 15. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 16. Obtain a permanent electricity connection from PHCN

Time: 33 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

FEDERAL CAPITAL TERRITORY, Abuja

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 7 days

Cost: NGN 150,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself.

Procedure 2. Apply for a construction permit at the Abuja Development Control Department

Time: 1 day

Cost: NGN 4,500 (NGN 1,000 application form + NGN 3,500 building bylaws)

Comments: In order to obtain a construction permit, BuildCo must submit a duly completed application form to the Abuja Development Control Department, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Five sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental impact assessment report;
e. Site analysis report.

The documents are reviewed by a government architect, structural and electrical engineers sitting at the Abuja Development Control Department. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Abuja Development Control Department

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Abuja Development Control Department conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Abuja Development Control Department for final review and approval. Prior to the inspection, BuildCo must in practice have set the site beacons on the plot, though it is the legal responsibility of the Development Control department to do so.

Procedure 4. Pay the construction permit fees at a designated bank

Time: 1 day

Cost: NGN 975,450 (NGN 250 per cubic meter)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Abuja Development Control Department.

Procedure 5. Obtain a construction permit from the Abuja Development Control Department

Time: 30 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the documents submitted for approval – along with the inspection report, the proof of payment and the 3 remaining copies of the plan – are submitted to the Abuja Development Control department for final approval. If granted, the department issues BuildCo a building plan approval authorizing the construction of the warehouse to proceed. The department plans to require the submission of soft copies of the building plans (in pdf) in the future. The architects, however, fret that this would increase the risk of seeing their plans stolen.

Procedure 6*. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Abuja, construction companies wishing to develop a project must pay compensation to those natives, with the assistance of the Development Control department. All parties sign a contract, maintain records of the transaction, take pictures of the beneficiaries, to avoid further disputes. Cost varies on a case by case basis, and depends on the number of "economic tree" (mango trees, for example) located on the property.

Procedure 7. Receive an inspection at setting out level from the Abuja Development Control Department

Time: 2 days

Cost: NGN 20,000

Comments: Before starting the construction, BuildCo must confirm with the Development Control Department that the construction abides by approved plans and construction standards. For that purpose, the Development Control Department conducts an on-site inspection at setting out stage. Even though it is by law the responsibility of the Development Control Department to put the beacons on the construction-site, it is BuildCo which, in practice, takes care of it.

Procedure 8. Receive an inspection during construction from the Abuja Development Control Department

Time: 1 day

Cost: NGN 20,000

Comments: Although the National Building code lists a precise inspection schedule, inspections in Abuja do not follow any particular order. During construction, a team of inspectors from the Development Control Department randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, 2 inspections occur.

Procedure 9. Receive an inspection during construction from the Abuja Development Control Department

Time: 1 day

Cost: NGN 20,000

Comments: Same as above.

Procedure 10. Obtain a certificate of completion from the Abuja Development Control department

Time: 18 days

Cost: NGN 500

Comments: By law, BuildCo must apply to the Abuja Development Control Department for a certificate of completion, which would be issued after a final inspection of the site. In practice, however, this procedure is neither adhered to nor enforced.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 62,500 (NGN 52,500 per 3 phase meter + NGN 10,000 processing fee)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase prepaid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 34 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

Procedure 15. Apply for water connection to the Federal Capital Territory (FCT) Water Board

Time: 1 day

Cost: NGN 10,000

Comments: The FCT Water Board covers most of the city and only warehouses located in remote parts of Abuja would require a borehole. Connection costs only NGN 10,000 but the developer must provide all necessary plumbing material. The developer is merely required to visit the water corporation office, fill the form and pay the fees.

Procedure 16. Receive an inspection from the FCT Water Board

Time: 1 day

Cost: No cost

Comments: After receiving BuildCo's application, the FCT Water Board conducts an on-site inspection.

Procedure 17*. Obtain a permanent water connection from the FCT Water Board

Time: 5 days

Cost: No cost

Comments: Connection to water supply is completed within 5 days.

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

GOMBE, Gombe

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from the Gombe State Environmental Protection Authority

Time: 10 days

Cost: NGN 50,000

Comments: BuildCo applies to the Gombe State Environmental Protection Authority for an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, an environmental consultant from the Authority first verifies the survey plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the consultant drafts the EIA report, and gives 3 copies to BuildCo.

Procedure 2. Obtain a site analysis report from a consultant at the Abubakar Tafawa Balewa University

Time: 5 days

Cost: NGN 50,000

Comments: BuildCo hires a consultant from the Abubakar Tafawa Balewa University to analyze the site and draft a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. The consultant typically carries out an inspection of the site, drafts the report, and gives three copies to BuildCo.

Procedure 3. Obtain a fire safety report from the Fire Service Department of the Ministry of Housing and Transport

Time: 7 days

Cost: No cost

Comments: BuildCo submits the preliminary drawings to the Fire Service Department for examination. Based on its assessment of the drawings, the Fire Service Departments drafts a report, in which it details the possible fire hazards caused by the construction, as well as the necessary fire precautions and escape provisions to be taken by BuildCo. Three copies of the report are given to BuildCo. Previously, this procedure was only required of commercial and industrial buildings. However, the state of Gombe is pushing for the implementation of the National Fire Code 2008 which requires fire inspections for all types of buildings.

Procedure 4. Apply for a building plan approval at the Town Planning Department of the Ministry of Water Resources, Environment and Town Planning

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Town Planning Department of the Ministry of Water Resources, Environment and Town Planning, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Six sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental impact assessment report;
e. Site analysis report.

The documents are reviewed by the Town Planning Department. An on-site inspection will follow.

Procedure 5. Receive a pre-approval inspection from the Town Planning Department of the Ministry of Water Resources, Environment and Town Planning

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, inspectors from the Town Planning Department of the Ministry of Water Resources, Environment and Town Planning – typically a town planner and an architect – conduct an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Town Planning Department of the Ministry of Water Resources, Environment and Town Planning for final review and approval.

Procedure 6. Obtain a building plan approval from the Town Planning Department of the Ministry of Water Resources, Environment and Town Planning

Time: 30 days

Cost: NGN 149,604 (NGN 115 per square meter)

Comments: After the inspection and the payments have been completed, the documents submitted for approval – along with the inspection report – are given to the Director of Town Planning for final approval. If granted, BuildCo is issued a building plan approval. Payment is made in cash at the Town Planning Department. On the approval is mentioned that the BuildCo must remain open to inspections by the staff of the Gombe State Urban Planning and Development Board, but in practice, these inspections almost never happen.

Procedure 7. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 8*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 9. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted.

Procedure 10. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building.

Procedure 11. Obtain a permanent electricity connection from PHCN

Time: 34 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 5 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

IMO, Owerri

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 20 days

Cost: NGN 175,000

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives three copies to Buildco, and retains one copy for himself. This procedure is usually done by a registered town planner but can also be done by a registered architect or a real estate surveyor. The fees mentioned are the fees paid in practice, but federal government guidelines limit the fees to be paid for this procedure to 1.5 to 2% of the value of the project.

Procedure 2*. Obtain a fencing permit from the Owerri Capital Development Authority

Time: 7 days

Cost: NGN 13,000 (NGN 6,500 per plot)

Comments: In order to obtain the fencing permit BuildCo must submit the survey plan, 3 years tax clearance, proof of ownership and fencing drawings to the Owerri Capital Development Authority. The purpose of this permit is to ensure that the proposed development project will occur within the limits of the plots.

Procedure 3. Apply for a development permit at the Owerri Capital Development Authority

Time: 1 day

Cost: NGN 66,018 (NGN 6,250 registration + NGN 39,018 inspection [NGN 10 per m3] + NGN 7,000 survey service fee [NGN 3,500 per plot] + NGN 5,000 charting fee [NGN 2,500 per plot] + NGN 6,250 building plan preparation fee + NGN 2,500 certificate of fitness for habitation fee)

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Owerri Capital Development Authority (OCDA), along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Five sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental impact assessment report;
e. Three-year tax clearance certificate;
f. Receipt of payment of fees.

The documents are reviewed by the Owerri Capital Development Authority, which then informs BuildCo of the fees to be paid. The fees can be paid in three ways: cash at the account section of OCDA, within the same building; by check at OCDA; or in a bank account, against a teller to be brought back to OCDA. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawings are returned to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 4. Receive a pre-approval inspection from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Owerri Capital Development Authority (OCDA) conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Owerri Capital Development Authority for final review and approval.

Procedure 5. Obtain a building plan approval from the Owerri Capital Development Authority

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the general manager at OCDA gives the final approval and grants BuildCo a development permit. The building plan approval number is written on the permit, which the company can display outside the construction-site. The current Director of Owerri Capital Development Authority enforces a statutory limit of 2 weeks for the processing of building permits applications.

Procedure 6. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7*. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Owerri, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 8. Receive an inspection at setting out level from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Owerri Capital Development Authority. A team of inspectors (a building inspector, a structural engineer, an architect and a builder) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If the issue remains unresolved, the building may be marked for demolition.

Procedure 9. Receive an inspection at foundation level from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Owerri Capital Development Authority. A team of inspectors (a building inspector, a structural engineer, an architect and a builder) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If the issue remains unresolved, the building may be marked for demolition.

Procedure 10. Receive an inspection at first floor level from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the first floor is complete, BuildCo's architect must notify the Owerri Capital Development Authority. A team of inspectors (a building inspector, a structural engineer, an architect and a builder) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If the issue remains unresolved, the building may be marked for demolition.

Procedure 11. Receive an inspection at second floor level from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the second floor is complete, BuildCo's architect must notify the Owerri Capital Development Authority. A team of inspectors (a building inspector, a structural engineer, an architect and a builder) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If the issue remains unresolved, the building may be marked for demolition.

Procedure 12. Receive an inspection at roof level from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the roof is complete, BuildCo's architect must notify the Owerri Capital Development Authority. A team of inspectors (a building inspector, a structural engineer, an architect and a builder) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If the issue remains unresolved, the building may be marked for demolition.

Procedure 13. Receive a final inspection from the Owerri Capital Development Authority

Time: 1 day

Cost: No cost

Comments: BuildCo notifies the Owerri Capital Development Authority that the construction is completed. A final inspection ensues, during which the Capital Development Authority ensures that BuildCo's warehouse abides by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 14. Obtain a certificate of fitness for habitation from the Owerri Capital Development Authority

Time: 7 days

Cost: No cost

Comments: After the final inspection, the Owerri Capital Development Authority issues BuildCo a certificate of fitness for habitation attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 15*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 16. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 17. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank. BuildCo must then submit the receipt of the payment to the local PHCN for the electricity connection to proceed.

Procedure 18. Obtain a permanent electricity connection from PHCN

Time: 26 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 7 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

JIGAWA, Dutse

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Apply for a building plan approval at the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Dutse Capital Development Authority along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, waste disposal layout, schedule of sanitary fittings).

The documents are reviewed by the a government architect, structural engineer and electrical engineer. Jigawa state is a new state, semi-rural, created out of Kano state. As such, while the construction permit process follows that of Kano's, Jigawa has been trying to encourage people to build by simplifying the construction permit procedures. As a result, Jigawa imposes few administrative requirements on developers. The environmental assessment report, for example, is required only of large constructions with a large impact on the environment, such as a dam. Similarly, even though by law the Dutse Capital Development Authority is supposed to conduct a pre-approval inspection, this inspection rarely occurs in practice.

Procedure 2. Obtain a building plan approval at the Dutse Capital Development Authority

Time: 9 days

Cost: NGN 50,000

Comments: After the payments have been completed, the documents submitted for approval – along with the inspection report – are reviewed by the executive secretary of the Dutse Capital Development Authority for final approval. If granted, BuildCo is issued a development permit. The document requires BuildCo's construction to be duly supervised by the registered engineer/architect hired by BuildCo, which is why the state, and the Council of Registered Engineers (COREN) has recently improved its selection and testing process of registered engineers.

Procedure 3. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. Part of Jigawa sits on a large aquifer zone, but drilling a borehole in one of Dutse rocky areas would be more expensive.

Procedure 4. Receive an inspection during construction from the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Dutse do not follow any particular order. During construction, a team of inspectors from the Dutse Capital Development Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. The number of inspections conducted depends on the location of the project and the "visibility" (i.e. interest) of the project. There is limited inspection capacity in Jigawa, so the state relies a lot on "self checking" by the registered architect and engineer in charge of supervision the project. Construction work does not stop during the inspection. In practice, two inspections are conducted during construction.

Procedure 5. Receive an inspection during construction from the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 6. Submit a report of completion to the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the construction is completed, BuildCo's architect submits the final report to the officer of the development authority in charge of the project. No document or final certificate of completion is issued.

Procedure 7*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 8. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted.

Procedure 9. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank. BuildCo must then submit the receipt of the payment to the local PHCN for the electricity connection to proceed.

Procedure 10. Obtain a permanent electricity connection from PHCN

Time: 24 days

Cost: NGN 5,000 (contractor's fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

KADUNA, Kaduna

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report and a site analysis report from a town planner of the Kaduna Environmental Protection Authority (KEPA)

Time: 16 days

Cost: NGN 90,000 (NGN 25,000 EIA official fee + NGN 35,000 EIA consultant fee + NGN 30,000 site analysis report fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. The same town planner also prepares a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. After the inspection, the town planner drafts the EIA report and SAR, and gives 2 copies of each report to Buildco, and retains one copy for himself. By law BuildCo should be able to engage any registered town planner prepare the report, which is then submitted to the Kaduna Environmental Protection Authority. However, the usual practice is for BuildCo to pay the town planners in KEPA to prepare the EIA report.

Procedure 2. Apply for a planning permission at the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: NGN 312,000 (NGN 260,000 planning fee [NGN 100,000 per floor; NGN 20,000 per room] + NGN 50,000 fencing fee + NGN 2,000 processing fee)

Comments: In order to obtain a planning permission, BuildCo must submit a duly completed application form to the Kaduna State Urban Planning and Development Authority (KSUPDA), along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Three sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);

- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report;

f. Three-year tax clearance certificate;

g. Certificate of structural stability duly signed by an engineer.

The documents are reviewed by architectural, engineering and planning departments of the KSUPDA. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Kaduna State Planning and Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Kaduna State Planning and Development Authority for final review and approval.

Procedure 4. Obtain a planning permission from the Kaduna State Urban Planning and Development Authority

Time: 60 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Kaduna Urban Planning Development Authority examines the documents submitted and issues BuildCo a planning permission. This procedure can take from 2 to 6 months, depending on the amount of follow-up conducted by BuildCo.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6. Receive an inspection during construction from the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Kaduna do not follow any particular order. During construction, a team of inspectors from the Kaduna State Urban Planning and Development Authority (KASUPDA) – usually composed of a town planner, an architect and an engineer – randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. In practice, during construction, 3 inspections occur.

Procedure 7. Receive an inspection during construction from the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 8. Receive an inspection during construction from the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Architects Registration Council (ARCON)

Time: 1 day

Cost: No cost

Comments: During the construction, the Architects Registration Council (ARCON) conducts an inspection to ensure that the project is duly supervised by professionals (architects and engineers) registered with ARCON.

Procedure 10. Receive an inspection from the Fire Service Department

Time: 1 day

Cost: No cost

Comments: By Law, BuildCo is required to go to the fire service office to ask for a fire inspection. A fire team accompanies BuildCo back to the site to inspect it, in order to ensure that the construction has proper fire exits, sprinkler, fire alarms, etc.

Procedure 11. Pay the fire report fees and obtain the fire report from the Fire Service Department

Time: 7 days

Cost: NGN 16,000 (flat fee)

Comments: After the fire inspection, BuildCo pays the fire deparment and obtains its fire report. In recent years, the fire service has advertised the importance of this procedure and encouraged compliance.

Procedure 12*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 25,000 (wireless land line)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). In Kaduna, Nigerian companies also have the option of using a fixed wireless phone (MULTILINKS), at a higher cost (NGN 25,000). The phone line can be connected at any time before and during the construction.

Procedure 13. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office.

Procedure 14. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 15. Obtain a permanent electricity connection from PHCN

Time: 26 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

KANO, Kano

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Apply for a building plan approval at the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Kano Urban Planning and Development Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. environmental impact assessment report.

The documents are reviewed by the Kano Urban Planning and Development Authority. An assessment of the fees is given to BuildCo, to be paid at a designated bank. An on-site inspection will follow.

Procedure 2. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 48,784 (NGN 50 per square meter for the first floor + NGN 25 per square meter for the second floor)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller, or a bank receipt, to be submitted back to the Kano Urban and Planning Development Authority. The authority opens a file for BuildCo, and the documents are submitted to the deputy director, then forwarded to the inspection officers, who conduct an inspection on-site.

Procedure 3. Receive a pre-approval inspection from the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Kano Urban Planning and Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Kano Urban Planning and Development Authority for final review and approval.

Procedure 4. Obtain a building plan approval from the Kano Urban Planning and Development Authority

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the documents submitted for approval – along with the inspection report and the 3 remaining copies of the plan – are given to the Kano Urban Planning and Development Authority (KUPDA) for final approval. The documents and plans are scrutinized and countersigned by a government architect, structural engineer and electrical engineer, before being submitted to the director. The director attaches a letter to the file before sending it to the managing director, who endorses the application, while the director signs the drawings and issue the approval letter. If granted, KUPDA issues BuildCo a building plan approval authorizing the construction of the warehouse to proceed, as well as a plaque showing the file number and expiration date of the approval (3 years). A statutory limit reduced the time taken to complete this procedure to 14 days (10 working days).

Procedure 5. Receive an inspection during construction from the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Kano do not follow any particular order. The Kano Urban Planning and development Authority does not have enough staff to do all the inspections required by the building code. During construction, a team of inspectors from the Kano Urban Planning and Development Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, 2 inspections occur during construction.

Procedure 6. Receive an inspection during construction from the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 7. Obtain a certificate of occupation from the Kano Urban Planning and Development Authority

Time: 2 days

Cost: No cost

Comments: BuildCo's architect sends a letter to the Kano Urban Planning and Development Authority informing it that the construction is completed. The Authority subsequently issues BuildCo a certificate of occupation.

Procedure 8*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 9. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. In Kano, PHCN deals with applicants only through PHCN registered contractors, which adds to the cost of the procedure.

Procedure 10. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 11. Obtain a permanent electricity connection from PHCN

Time: 19 days

Cost: NGN 15,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 7 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

Procedure 12. Apply for water connection at the Kano State Water Board and pay the fees

Time: 1 day

Cost: NGN 24,000

Comments: In order to obtain a water connection, BuildCo needs to submit a simple application to the Kano State Water Board, which has offices throughout the city.

Procedure 13. Receive inspection by the Kano State Water Board

Time: 1 day

Cost: No cost

Comments: After the application has been submitted, a team of inspectors from the water board office visits the site to ascertain what needs to be done.

Procedure 14*. Obtain water connection

Time: 30 days

Cost: No cost

Comments: Usually, the building is connected to water supply within a month.

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

KATSINA, Katsina

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 5 days

Cost: NGN 65,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers. The fee charged by the town planner is decided at the state level by the local Town Planning Association. The cost provided here is an estimate. Architects and developers who have a long working experience with Katsina Urban Planning Development Authority (KUPDA) will not be asked to produce an EIA report when applying for the building permit for the proposed project. However, if the developer or the architect are not from Katsina and KUPDA officials do not know him professionally, they will be asked to produce an EIA report. Usually, no inspection is required.

Procedure 2. Apply for a building permit at the Katsina Urban Planning Development Authority

Time: 1 day

Cost: NGN 50,000 (NGN 35,000 lower floor + NGN 15,000 upper floor)

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Katsina Urban Planning Development Authority (KUPDA), along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Three-year tax clearance certificate;

f. Receipt of payment of the fees.

The documents are reviewed by officers at KUPDA, who assess the fees to be paid. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur.

Procedure 3. Receive a pre-approval inspection from the Katsina Urban Planning Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Katsina Urban Planning Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Katsina Urban Planning Development Authority for final review and approval.

Procedure 4. Obtain a building permit from the Katsina Urban Planning Development Authority

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Katsina Urban Planning Development Authority (KUPDA) examines the documents submitted and issues BuildCo a building permit. If KUPDA officers are not overworked, the process can take place in one week. If the office is overworked, it can take up to three or four weeks.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: In Katsina, the public water system supplies works only in some parts of the city. Where the water supply system is not in place, people drill boreholes. In Katsina city and the surrounding areas, clean and pure drinking water can be found 30 meters deep (first water table). There is a second water table about 100 meters deep. However, the soil between the two tables is very hard, and reaching the second table requires special drilling equipment, hence pushing the cost to around NGN 1,400,000.

Procedure 6*. Receive an inspection at the sub-structure level by the development control inspectors of Katsina Urban Planning Development Authority

Time: 1 day

Cost: No cost

Comments: In Katsina, an important inspection takes place at the sub-structure level, after the setting out and before the completion of the foundations of the building. The purpose of the inspection is to control whether the foundations comply with what is presented in the building plans. If any discrepancy is found between the construction and the plan, BuildCo is notified on the spot, and asked to take action before a specified deadline. If BuildCo does not the comply, the building may be marked for demolition. As a group of inspectors patrols each area of the town on a daily basis, BuildCo does not need to notify the inspectors that the construction has started.

Procedure 7. Receive an inspection during construction from the Katsina Urban Planning Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Katsina do not follow any particular order. During construction, after the sub-structure inspection a team of inspectors from the Katsina Urban Planning Development Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If the issue remains unresolved, the building is marked for demolition. In practice, 4 inspections are conducted during construction.

Procedure 8. Receive an inspection during construction from the Katsina Urban Planning Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Katsina Urban Planning Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Receive an inspection during construction from the Katsina Urban Planning Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11. Request and receive a fire inspection from the Katsina Fire Service Department

Time: 1 day

Cost: No cost

Comments: Once the firefighting equipment has been installed, BuildCo needs to notify the fire deparment, which comes for an inspection. This requirement, stated in the New Building Code, is enforced in Katsina. Officers from the Katsina fire deparment conduct an on-site inspection to make sure that the building abides by fire safety standards.

Procedure 12. Obtain a fire certificate from the Katsina Fire Service Department

Time: 13 days

Cost: No cost

Comments: After the inspection and the payment have been completed, the fire deparment issues BuildCo a fire certificate.

Procedure 13*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 14. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the type of meter (3 phase pre-paid) required.

Procedure 15. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 16. Obtain a permanent electricity connection from PHCN

Time: 22 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

KEBBI, Birnin Kebbi

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from an environmental consultant of the Kebbi State Environmental Protection Agency

Time: 6 days

Cost: NGN 30,000 (environmental consultant fee)

Comments: BuildCo hires an environmental consultant to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the environmental consultant first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the environmental consultant drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself.

Procedure 2. Apply for a planning approval at the Kebbi Urban Development Authority

Time: 1 day

Cost: NGN 100,000 (planning approval fee)

Comments: In order to obtain a planning approval, BuildCo must submit a duly completed application form to the Kebbi Urban Development Authority (KUDA), along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. environmental impact assessment report.

The documents are reviewed by officers at KUDA. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Kebbi Urban Development Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Kebbi Urban Development Authority for final review and approval.

Procedure 4. Obtain a planning approval from the Kebbi Urban Development Authority

Time: 20 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Kebbi Urban Development Authority examines the documents submitted and issues BuildCo a planning approval.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. In Kebbi, BuildCo has a choice of either engaging a private contractor or the water board to dig the borehole. The water board is generally cheaper, but can be considerably slower.

Procedure 6. Receive an inspection at setting out level by the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Kebbi Urban Planning Authority. A team of inspectors visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. During construction, the Kebbi Urban Development Authority carries on average four inspections during construction – one at the setting out stage and 3 random inspections at the superstructure stage.

Procedure 7. Receive an inspection during construction by the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Birnin Kebbi do not follow any particular order. During construction, a team of inspectors from the Kebbi Urban Development Authority – usually composed of a town planner, an environment specialist and an engineer – randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. During construction, the Kebbi Urban Development Authority carries on average four inspections during construction – one at the setting out stage and 3 random inspections at the superstructure stage.

Procedure 8. Receive an inspection during construction by the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction by the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 11. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office.

Procedure 12. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 13. Obtain a permanent electricity connection from PHCN

Time: 26 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

KOGI, Lokoja

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 10 days

Cost: NGN 45,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area.

Procedure 2. Apply for a development permit at the Kogi State Town Planning and Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Kogi State Town Planning and Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Three-year tax clearance certificate.

The documents are reviewed by officers at the Kogi State Town Planning and Development Board, who within one week determine the applicable registration fee. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Pay the development permit fees at a designated bank

Time: 1 day

Cost: NGN 73,509 (NGN 35,531 approval fee + NGN 21,319 processing fee [60% of approval fee] + NGN 1,000 registration fee + NGN 5,000 inspection fee + 10,659 post-approval fee [30% of approval fee])

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Kogi State Town Planning and Development Board.

Procedure 4. Register the building plans at the Kogi State Town Planning and Development Board and receive a site inspection

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed and the fees deposited, the Kogi State Town Planning and Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Kogi State Town Planning and Development Board for final review and approval.

Procedure 5. Obtain a development permit from the Kogi State Town Planning and Development Board

Time: 25 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Kogi State Town Planning and Development Board examines the documents submitted and issues BuildCo a building permit, along with 3 signed copies of the plan. BuildCo must keep one copy on the construction-site, to be presented when inspectors from the Kogi State Town Planning and Development Board come during construction for inspection.

Procedure 6. Dig a borehole to obtain water

Time: 10 days

Cost: NGN 500,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. Water in Lokoja can be found at a depth of 50 meters. Considering the assumptions of the case study, the costs for sinking a borehole in Lokoja is as follows:

a. Geophysics test: NGN 30,000;

b. Drilling cost: NGN 10,000 per meter.

The overall price may vary depending upon the quality of the materials used.

Procedure 7. Receive an inspection at setting out level from the Kogi State Town Planning and Development Board

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Kogi State Town Planning and Development Board which then sends a team of inspectors to the construction-site to conduct an inspection. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 8. Receive an inspection at foundation level from the Kogi State Town Planning and Development Board

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Kogi State Town Planning and Development Board which then sends a team of inspectors to the construction-site to conduct an inspection. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 9*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 10. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 31,500 (3 phase credit meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase credit) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office. PHCN has not yet started introducing 3 phase pre-paid meters in Lokoja. At the moment, new connections are supplied with a credit meter.

Procedure 11. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 12. Obtain a permanent electricity connection from PHCN

Time: 25 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. After the application, the credit meter takes up to a month to arrive. If the company needs to be connected to electricity before that, PHCN charges flat rates. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

KWARA, Ilorin

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Apply for a building permit at the Kwara Town Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Kwara Town Planning and Development Authority, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Five sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, waste disposal layout, schedule of sanitary fittings).

Once the payment has been completed, the documents are reviewed by officials of the Kwara Town Planning and Development Authority. An on-site inspection will follow within 2 days of submitting the application. Usually, the architects and engineers are required to also sign an undertaking of supervision, which removes the need for the Kwara Town Planning and Development Authority to conduct any inspection during construction. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 2. Receive a pre-approval inspection from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Kwara Town Planning Authority conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Kwara Town Planning Authority for final review and approval.

Procedure 3. Obtain a building permit from the Kwara Town Planning Authority

Time: 14 days

Cost: NGN 125,000 (NGN 25,000 application fee + NGN 25,000 inspection fee + NGN 75,000 assessment fee)

Comments: After the inspection and the payments have been completed, the Kwara Town Planning Authority examines the documents submitted and issues BuildCo a building permit.

Procedure 4. Pay the development levy to the local government

Time: 1 day

Cost: NGN 15,000 (fixed fee)

Comments: Before construction begins, BuildCo goes to the local government office to pay a development levy, and obtains a receipt.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6. Receive an inspection during construction from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Ilorin do not follow any particular order. During construction, a team of inspectors from the Kwara Town Planning Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. In practice, during construction, 2 to 3 inspections occur.

Procedure 7. Receive an inspection during construction from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 8. Receive an inspection during construction from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Architects Registration Council (ARCON)

Time: 1 day

Cost: No cost

Comments: During the construction, the Architects Registration Council (ARCON) conducts an inspection to ensure that the project is duly supervised by professionals (architects and engineers) registered with ARCON.

Procedure 10. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 22,500 (wireless land line)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). In Ilorin, Nigerian companies also have the option of using a fixed wireless phone (MULTILINKS), at a higher cost (NGN 20,000 to NGN 25,000). The phone line can be connected at any time before and during the construction.

Procedure 11. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 12. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank. BuildCo must then submit the receipt of the payment to the local PHCN for the electricity connection to proceed.

Procedure 13. Obtain a permanent electricity connection from PHCN

Time: 21 days

Cost: NGN 17,500 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

LAGOS, Lagos

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain environmental impact assessment report

Time: 7 days

Cost: NGN 35,000

Comments: It usually takes 4 days for the town planner to issue the environmental impact assessment Report. The fee varies between NGN 20,000 and NGN 50,000.

Procedure 2. Obtain development permit from the District Office

Time: 42 days

Cost: NGN 494,216

Comments: The development permit authorizes construction and is valid for 2 years. Several documents are required to obtain this permit, including all the documents, clearances, and approvals required or obtained in the previous procedures

Legally, a pre-approval inspection is required. Other inspections include one by the Environmental Protection Agency, and another structural inspection carried out by the Local Planning Authority during construction. In practice however, none of these inspections usually takes place.

Procedure 3. Pay Development Levy to the Local Planning Authority

Time: 1 day

Cost: NGN 49,422

Comments: The Local Planning Authority (LPA) charges a contribution levy (10% of the building permit cost) for the preparation and production of development plans, such as local, district, subject, and action plans; development guides; office maintenance; procurement and maintenance of vehicles; office equipment; and similar issues.

Procedure 4. Pay Spatial Enhancement Contribution to the Lagos State urban and Regional Planning Board in bank draft

Time: 1 day

Cost: NGN 95,000

Procedure 5. Obtain certificate of structural stability of foundation from an accredited construction testing company

Time: 2 days

Cost: NGN 5,000

Procedure 6. Obtain certificate of structural stability (first pouring of concrete)

Time: 2 days

Cost: NGN 5,000

Procedure 7. Obtain certificate of structural stability (second pouring of concrete)

Time: 2 days

Cost: NGN 5,000

Procedure 8. Obtain certificate of structural stability (third pouring of concrete)

Time: 2 days

Cost: NGN 5,000

Procedure 9. Receive inspection during construction from State Government Task Force reporting to the Commissioners for Land and Urban Development

Time: 1 day

Cost: No cost

Procedure 10. Receive inspection during construction from Local Monitoring Team reporting to the District Office

Time: 1 day

Cost: No cost

Procedure 11. Receive inspection during construction from Zonal Monitoring Team

Time: 1 day

Cost: No cost

Procedure 12. Request and receive inspection by fire deparment

Time: 1 day

Cost: No cost

Comments: This certificate is to be obtained at the local planning authority before the building can be used. It is within the discretion of the authority to conduct an on-site inspection before issuing the certificate. However, such an inspection, normally about 45 minutes, is very rarely performed.

Procedure 13. Obtain Certificate of Completion and fitness for habitation for Habitation

Time: 14 days

Cost: No cost

Procedure 14. Obtain fixed phone line

Time: 21 days

Cost: NGN 15,750

Comments: The estimated completion time is 21 days for a cable terrestrial line. It would be possible to obtain a wireless line in 2–3 days.

Procedure 15*. Apply for electricity connection

Time: 1 day

Cost: No cost

Comments: To obtain an electricity connection, BuildCo needs to file the appropriate forms at the branch offices of the Power Holding Company of Nigeria, PHCN (previously NEPA), and make a payment of NGN 40,000. The PHCN will then install an electric power meter at the premises. The premises are then connected to the power network.

Procedure 16*. Receive inspection by electrical provider

Time: 1 day

Cost: No cost

Procedure 17*. Obtain electricity connection

Time: 270 days

Cost: NGN 50,000

Procedure 18*. Dig Borehole to obtain water

Time: 7 days

Cost: NGN 138,000 (NGN 15,000 equipment rental + NGN 20,000 steel casing + NGN 10,000 transportation + NGN 5,000 riser pipe + NGN 3,000 safety pipe + NGN 7,000 renting pumping machine (NGN 1,000 per day) + NGN 3,000 chemicals + NGN 60,000 labor + NGN 15,000 geophysics test)

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

NASARAWA, Lafia

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report and a site analysis report from a registered town planner

Time: 7 days

Cost: NGN 140,000 (NGN 75,000 the environmental impact assessment report + NGN 65,000 site analysis report)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. The same town planner also prepares a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. After the inspection, the town planner drafts the EIA report and SAR, and gives 2 copies of each report to Buildco, and retains one copy for himself.

Procedure 2. Apply for a building plan approval at the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Nasarawa State Urban Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report;

f. Three-year tax clearance certificate.

The documents are submitted to the open plan registry of the Nasarawa Urban Development Board and vetted by the Building, Environmental, Engineering and Planning departments. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 93,500 (NGN 500 registration fee + NGN 1,000 building handbook fee + NGN 7,000 fence fee + NGN 5,000 inspection fee + NGN 30,000 building permit fee + NGN 50,000 development levy)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Nasarawa State Urban Development Board.

Procedure 4. Receive a pre-approval inspection from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, inspectors from the Nasarawa State Urban Development Board – typically a town planner, a builder, an environmentalist and an engineer – conduct an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Nasarawa State Urban Development Board for final review and approval.

Procedure 5. Obtain a building plan approval from the Nasarawa State Urban Development Board

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Nasarawa State Urban Development Board examines the documents submitted and issues BuildCo a building permit.

Procedure 6. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7. Receive an inspection during construction from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Lafia do not follow any particular order. During construction, a team of inspectors from the Nasarawa State Urban Development Board randomly visits the site, usually once at the substructure stage and three times at the superstructure stage, to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 8. Receive an inspection during construction from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Receive an inspection during construction from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11. Request and receive a final inspection from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo notifies the Nasarawa State Urban Development Board. A final inspection ensues. During the final inspection, the Nasarawa State Urban Development Board ensures that BuildCo's warehouse abides by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 12. Obtain a certificate of completion from the Nasarawa State Urban Development Board

Time: 14 days

Cost: No cost

Comments: After the final inspection, the Nasarawa State Urban Development Board issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 13*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 14. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted.

Procedure 15. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building.

Procedure 16. Obtain a permanent electricity connection from PHCN

Time: 34 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 14 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

NIGER, Minna

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 5 days

Cost: NGN 20,000 (town planner fee)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself.

Procedure 2. Apply for a development permit at the Niger State Urban Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Niger State Urban Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Four sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental impact assessment report;
e. Three-year tax clearance certificate.

The documents are collected by the registry of the Urban Development Board and sent to the Development Control Department for review by town planners, architects, surveyors and engineers. An inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Receive a pre-approval inspection from the Niger State Urban Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Niger State Urban Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Niger State Urban Development Board for final review and approval.

Procedure 4. Obtain a development permit from the Niger State Urban Development Board

Time: 21 days

Cost: NGN 325,000 (NGN 5,000 registration fee + NGN 60,000 inspection fee + NGN 200 per square meter for development fee)

Comments: After the inspection and the payments have been completed, the Development Board grants BuildCo a development permit.

Procedure 5. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6. Receive an inspection during construction from the Niger State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Minna do not follow any particular order. During construction, a team of inspectors from the Niger State Urban Development Board randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, only 1 inspection occurs.

Procedure 7. Receive a certificate from the Fire Service Department

Time: 1 day

Cost: No cost

Comments: By law, BuildCo is required to go to the Fire Service office to ask for a fire inspection. A fire team accompanies BuildCo back to the site to inspect it, in order to ensure that the construction has proper fire exits, sprinkler, fire alarms, etc. However, in practice this procedure is not enforced, and rarely happens.

Procedure 8. Obtain a certificate of completion and fitness for habitation for habitation from the Niger State Urban Development Board

Time: 7 days

Cost: No cost

Comments: By law, BuildCo must apply to the Niger State Urban Development Board office for a certificate of completion, which would be issued after a final inspection of the site. In practice, however, this procedure is neither adhered to nor enforced.

Procedure 9*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 10. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN via an electrical engineer. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 11. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank.

Procedure 12. Obtain a permanent electricity connection from PHCN

Time: 20 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

OGUN, Abeokuta

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 14 days

Cost: NGN 50,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself.

Procedure 2. Obtain a land use clearance from the Bureau of Urban and Regional Planning

Time: 14 days

Cost: NGN 50,000

Comments: Before applying for a development permit, BuildCo must obtain a land use clearance from the Bureau of Urban and Regional Planning in order to certify that the building will respects the zoning requirements of the area. When applying for a land use clearance, BuildCo must submit:

a. Application form, duly filled, providing basic information about the building;
b. Copy of the certificate of occupancy;
c. Survey Plan (attached to the Certificate of Occupancy);
d. Receipt of the payment of the Land Use Clearance fee;
e. Receipt testifying that the Development Levy was paid (payment completed when BuildCo originally bought the land);
f. Architectural drawings;
g. environmental impact assessment report;
h. Three-year Tax clearance certificate, issued each year by the Federal Inland Service when the company pays taxes.

Procedure 3. Swear deposition on the application form before the Commission for Oaths

Time: 1 day

Cost: NGN 200

Comments: BuildCo has to swear deposition on the application forms before the Commissioner of Oaths, in order to attest the authenticity of its ownership of the property in question.

Procedure 4. Apply for a development permit at the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: BuildCo is required to pay a land use clearance fee at a designated bank prior to applying for a land use clearance at the Bureau of Urban and Regional Planning. After the payment has been completed, BuildCo is given a receipt.

Procedure 5. Pay the development permit fees at a designated bank

Time: 1 day

Cost: NGN 225,209 (NGN 195,090 assessment fee [NGN 50 per cubic meter] + NGN 5,000 registration fee + NGN 4,645 fencing fee [NGN 5 per square meter] + NGN 20,474 administrative charge [10% of previous fees])

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller credit – or bank receipt – to be submitted back to the Urban and Physical Planning Board.

Procedure 6. Receive a pre-approval inspection from the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the urban and Physical Planning Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Urban and Physical Planning Board for final review and approval.

Procedure 7. Obtain a development permit from the Urban and Physical Planning Board

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Urban and Physical planning board examines BuildCo's application along with the report drafted by the inspectors. If deemed satisfactory, the Urban and Physical Planning Board issues BuildCo a building permit, along with 2 stamped copies of the building plans, an approval number to be displayed on the construction-site, and a set of forms to be submitted when applying for the certificate of completion and fitness for habitation.

Procedure 8. Dig a borehole to obtain water

Time: 16 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 9. Pay a compensation to the natives

Time: 1 day

Cost: NGN 200,000

Comments: With the Land Use Act of 1978, the government appropriated land on which local tribes lived. Since then, in Abeokuta, construction companies wishing to develop a project must pay compensation to those natives, and hire some of them as masons or security guards on the site. Cost varies on a case by case basis, and highly depends on the negotiation skills of the construction company.

Procedure 10*. Receive an inspection at setting out level from the Urban and Physical Planning Board

Time: 2 days

Cost: No cost

Comments: Within 7 days from the issuance of the development permit approval, BuildCo must inform the Urban and Physical Planning of the date when the construction is planned to start. Prior to the inspection, BuildCo must display a board outside the site displaying the development permit number, a brief description of the project, the contact details of the owner and professionals involved in the project and the risk insurance number. During construction, inspectors are likely to inspect the site one or two times. As such, a copy of the approved plan must be kept on-site.

Procedure 11. Receive an inspection during construction from the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Abeokuta do not follow any particular order. During construction, a team of inspectors from the Urban and Physical Planning Board – usually composed of a town planner, an architect and an engineer credit – randomly visits the site to ensure that the construction company has a building permit, that the project is duly

supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, two inspections occur.

Procedure 12. Receive an inspection during construction from the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 13. Request and receive a final inspection from the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: When the construction is complete, BuildCo must apply to the Urban and Physical Planning Board for a certificate of completion and fitness for habitation. A simple written notification suffices. BuildCo notifies the Urban and Physical Planning Board that the construction is completed. A final inspection ensues, during which the Urban and Physical Planning Board ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety and construction standards described in the law.

Procedure 14. Obtain a certificate of completion and fitness for habitation for habitation from the Urban and Physical Planning Board

Time: 7 days

Cost: No cost

Comments: After the final inspection, the Urban and Physical Planning Board issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 15. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 16. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 67,500 (NGN 52,500 3 phase pre-paid meter + NGN 15,000 application fee)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office.

Procedure 17. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 18. Obtain a permanent electricity connection from PHCN

Time: 24 days

Cost: NGN 5,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

ONDO, Akure

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Apply for a preliminary approval of the building plan at the Town Planning Office authority of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Before applying for the development permit approval, BuildCo must obtain a pre-approval from the Town Planning office, which verifies that the project respects the city's zoning plans. In order to obtain such approval, BuildCo must submit the following documents:

a. Application form;

b. Preliminary drawings or sketches of the building prepared by an architect;

c. Copy of the certificate of occupancy with the attached Survey Plan.

Procedure 2. Receive a preliminary inspection by the Town Planning Office authority of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Inspectors from the Town Planning office inspect the plot before the preliminary approval is issued.

Procedure 3. Obtain a preliminary approval of the building plan from the Town Planning Office authority of the Ministry of Physical Planning and Urban Development

Time: 4 days

Cost: No cost

Comments: After the inspection, the Town Planning Office issues BuildCo a preliminary approval of the building plan.

Procedure 4. Obtain an environmental impact assessment report from a registered town planner

Time: 10 days

Cost: NGN 55,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area.

Procedure 5. Apply for a development permit at the Town Planning Office authority of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Town Planning Office, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Six sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. environmental impact assessment report.

The documents are reviewed by officers at the Town Planning Office, who assess the fees to be paid and issue BuildCo a payment order to be presented at the bank. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 6. Pay the development permit fees at a designated bank

Time: 1 day

Cost: NGN 43,941 (NGN 32,190 assessment fee + NGN 2,325 development fee [NGN 2.5 per square meter of the plot] + NGN 1,100 fixed charge + NGN 2,000 application + NGN 1,000 registration of the EIA + NGN 2,325 allocation charge [NGN 2.5 per square meter of the plot] + NGN 3,000 land use charge)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Town Planning Office.

Procedure 7. Receive a pre-approval inspection from the Town Planning Office of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Ministry of Physical Planning and Development conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Ministry of Physical Planning and Development for final review and approval.

Procedure 8. Obtain a development permit from the Town Planning Office of the Ministry of Physical Planning and Urban Development

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Ministry of Physical Planning and Urban Development (MPPUD) marks the plan with a stamp of approval, before sending it to the Town Planning Office. Along with two copies of the stamped drawings, BuildCo receives a registration number to be displayed on the construction-site. The Town Planning Office keeps 2 copies of the building plans and sends 2 copies to the central archives of the Ministry of Physical Planning and Urban Development.

Procedure 9. Dig a borehole to obtain water

Time: 10 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 10. Receive an inspection during construction from the Town Planning Office of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Akure do not follow any particular order. During construction, a team of inspectors from the Town Planning Office – usually composed of a town planner, an architect and an engineer – randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, during construction, two inspections occur.

Procedure 11. Receive an inspection during construction from the Town Planning Office of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 12. Submit the completion drawings to the Town Planning Office of the Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: The certificate of completion and fitness for habitation for habitation is not yet mandatory in Ondo. However, when the construction is complete, the architect submits a copy of the "as built drawings" – drawings that show the building as "in reality" – to the Town Planning Office.

Procedure 13. Receive a final inspection from the Town Planning Office of the Ministry of Physical Planning and Urban Development and obtain stamped "as built" plans

Time: 6 days

Cost: No cost

Comments: BuildCo notifies the Town Planning Office that the construction is completed. A final inspection ensues, during which the Town Planning Office ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety and construction standards described in the law.

Procedure 14*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 15. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. The payment for the meter is carried out through a bank draft to PHCN.

Procedure 16. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 17. Obtain a permanent electricity connection from PHCN

Time: 17 days

Cost: NGN 5,000 (connection cost)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

OSUN, Osogbo

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 14 days

Cost: NGN 35,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the survey plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report.

Procedure 2. Apply for a building permit at the Osun State Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Osun State Capital territory Development Authority along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental impact assessment report;
e. Three-year tax clearance certificate.

The documents are reviewed by the Osun State Capital territory Development Authority. An on-site inspection will follow.

Procedure 3. Receive a pre-approval inspection from the Osun State Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, inspectors from the Osun State Capital Territory Development Authority conduct an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Osun State Capital Territory Development Authority for final review and approval.

Procedure 4. Pay the building permit fees at a designated bank

Time: 1 day

Cost: NGN 137,810 (NGN 130,060 approval fee + NGN 2,500 registration fee + NGN 2,250 development fee + NGN 2,000 affidavit fee + NGN 1,000)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Osun State Capital Territory Development Authority.

Procedure 5. Obtain a building permit from the Osun State Capital Territory Development Authority

Time: 21 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the documents submitted for approval – along with the inspection report – are reviewed by the Osun State Capital Territory Development Authority for final approval. If granted, BuildCo is issued a development permit.

Procedure 6. Dig a borehole to obtain water

Time: 5 days

Cost: NGN 200,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7. Receive an inspection during construction from the Osun State Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Oshogbo do not follow any particular order. During construction, a team of inspectors from the Osun State Capital Territory Development Authority randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, four inspections are conducted during construction.

Procedure 8. Receive an inspection during construction from the Osun State Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Osun State Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Receive an inspection during construction from the Osun State Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 34 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 1 day, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

OYO, Ibadan

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 14 days

Cost: NGN 100,000

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report.

Procedure 2. Apply for a planning approval at the Ibadan Local Government

Time: 1 day

Cost: No cost

Comments: In Ibadan, application for planning approval must be submitted to the local government of the area under whose jurisdiction the warehouse is located. In order to obtain a planning approval, BuildCo must submit a duly completed application form to the Ibadan Local Government, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Five sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. environmental impact assessment report.

The documents are reviewed by the Ibadan Local Government. In a matter of hours, BuildCo is notified of the fees to be paid at a designated bank. No on-site inspection ensues in practice. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Pay the planning approval fees at a designated bank

Time: 1 day

Cost: NGN 147,515 (NGN 5,000 fencing permit + NGN10,000 registration fee + NGN 32,515 [Land area x NGN 25] + NGN 100,000 administrative charges)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Ibadan Local Government, which then registers the plans and gives BuildCo a registration number.

Procedure 4. Obtain a planning approval from the Ibadan Local Government

Time: 50 days

Cost: No cost

Comments: After all payments have been completed, the documents are reviewed by the planning, architectural and engineering sections of the Ibadan Local Government, and BuildCo is issued a planning approval. Not all local governments in Ibadan have an architectural section, which may cause delays. In Ibadan, it is common practice for Buildco to hire an agent, either well connected with or working at the local government, that makes sure that the application is processed quickly. Without the help of this agent, it takes 8 weeks on average to obtain the planning approval.

Procedure 5. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 6. Receive an inspection during construction from the Ibadan Local Government

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Ibadan do not follow any particular order. During construction, a team of inspectors from the Ibadan Local Government randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, three inspections are conducted during construction.

Procedure 7. Receive an inspection during construction from the Ibadan Local Government

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 8. Receive an inspection during construction from the Ibadan Local Government

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 10. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made at a designated bank.

Procedure 11. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. After the inspection, BuildCo is given a bill to pay for the meter, which BuildCo must present at a designated bank. BuildCo must then submit the receipt of the payment to the local PHCN for the electricity connection to proceed.

Procedure 12. Obtain a permanent electricity connection from PHCN

Time: 51 days

Cost: NGN 10,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 10 to 14 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

PLATEAU, Jos

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 8 days

Cost: NGN 70,000

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the survey plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report. BuildCo has the choice between hiring a professional from the Jos Metropolitan Development Board or hire a private professional.

Procedure 2. Apply for a building plan approval at the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Jos Metropolitan Development Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Five sets of drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Environmental impact assessment report;
e. Receipt of payment of education tax;
f. Three-year tax clearance certificate.

The same day the documents are submitted, the Jos Metropolitan Development Board tells BuildCo what fees need to be paid, and gives BuildCo and intimation of payment, which can be paid either at the accounts department of the Development Board or at a designated bank. After submission, the five sets of drawings are forwarded to the various departments in charge of vetting them. First it goes to the planning office which assesses the location plan, then to the architect office which checks the architectural drawings, then to the health office which verifies the facilities, ventilation and other health related specification. An on-site inspection ensues.

Procedure 3. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 205,000 (NGN 175,000 development permit + NGN 30,000 inspection fee [NGN 10,000 per inspection])

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Jos Metropolitan Development Authority.

Procedure 4. Receive a pre-approval inspection from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Jos Metropolitan Development Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Jos Metropolitan Development Board for final review and approval.

Procedure 5. Obtain a building plan approval from the Jos Metropolitan Development Board

Time: 25 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the director of development at the Jos Metropolitan Development Board reviews the inspection report and BuildCo's documents before giving his final approval. If granted, BuildCo is given a building plan approval, along with an approval number to be displayed outside the construction-site. Currently, as a new state government has been constituted, there is an embargo on development permits at the Jos Metropolitan Development Authority, which requires BuildCo to obtain a special authorization to obtain his permit. This may cause some delays.

Procedure 6. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 500,000 (NGN 300,000 equipment rental + NGN 20,000 steel casing + NGN 20,000 riser pipe + NGN 20,000 safety pipe + NGN 50,000 submersible pump + NGN 100,000 labor cost + NGN 30,000 geophysics tests)

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7. Receive an inspection during construction from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Jos do not follow any particular order. During construction, a team of inspectors from the Jos Metropolitan Development Board randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, three inspections are conducted during construction.

Procedure 8. Receive an inspection during construction from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Request and receive a final inspection from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo applies to the Jos Metropolitan Development Board for a certificate of completion. A final inspection ensues, during which the Jos Metropolitan Development Board ensures that BuildCo's warehouse abides by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 11. Obtain a certificate of completion from the Jos Metropolitan Development Board

Time: 14 days

Cost: No cost

Comments: After the final inspection, the Jos Metropolitan Development Board issues BuildCo a certificate of completion attesting that the construction has been carried out according to the building plans submitted, and that BuildCo can now occupy the building.

Procedure 12*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 13. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. In Jos, PHCN deals with applicants only through PHCN registered contractors, which adds to the cost of the procedure.

Procedure 14. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 15. Obtain a permanent electricity connection from PHCN

Time: 21 days

Cost: NGN 20,000 (contractor's fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in 14 days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

RIVERS, Port Harcourt

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from an environment specialist

Time: 14 days

Cost: NGN 35,000

Comments: BuildCo hires an environment specialist to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the environment specialist first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself.

Procedure 2. Apply for a building plan approval at the Ministry of Urban Development

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Ministry of Urban Development, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);
b. Survey plan (attached to the certificate of occupancy);
c. Drawings duly signed by a registered architect, including:
   - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
   - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
   - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
   - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);
d. Three-year tax clearance certificate.

The documents are reviewed by officers at the Ministry of Urban Development. An on-site inspection will follow.

Procedure 3. Receive a pre-approval inspection from the Ministry of Urban Development

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Ministry of Urban Development conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Ministry of Urban Development for final review and approval.

Procedure 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 300,000

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Ministry of Urban Development.

Procedure 5. Obtain a building plan approval from the Ministry of Urban Development

Time: 60 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the documents – along with the inspection report – are submitted to the Commissioner of the Ministry of Urban Development for final approval.

Procedure 6. Dig a borehole to obtain water

Time: 7 days

Cost: NGN 250,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 7. Receive an inspection at setting out level from the Ministry of Urban Development

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Ministry of Urban Development which then sends a team of inspectors – an architect, an engineer and a town planner – to the construction-site to conduct an inspection. The purpose of the inspection is to ensure that the related stage has been completed successfully, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. By law, four inspections are required: at the setting out, foundation, superstructure and roof level. But in practice, only one is conducted.

Procedure 8*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 9. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made through bank draft to PHCN.

Procedure 10. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 11. Obtain a permanent electricity connection from PHCN

Time: 60 days

Cost: NGN 20,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

SOKOTO, Sokoto

Procedures to build a warehouse
Warehouse value: US$ 443,000 = NGN 59,003,170
Data as of: January 2010

Procedure 1. Apply for a development permit at the Sokoto Urban and Regional Planning Board

Time: 1 day

Cost: NGN 110,000

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Sokoto Urban and Regional Planning Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Four sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, waste disposal layout, schedule of sanitary fittings).

The documents are reviewed by officers at the Sokoto Urban and Regional Planning Board. An on-site inspection will follow. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 2. Receive a pre-approval inspection from the Sokoto Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Sokoto Urban and Regional Planning Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Sokoto Urban and Regional Planning Board for final review and approval.

Procedure 3. Obtain a development permit from the Sokoto Urban and Regional Planning Board

Time: 21 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Sokoto Urban and Regional Planning Board examines the documents submitted and issues BuildCo a planning approval. This procedure can take from 4 weeks to 3 months, depending on the amount of follow-up conducted by BuildCo.

Procedure 4. Receive an inspection during construction by the Sokoto Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Sokoto do not follow any particular order. During construction, a team of inspectors from the Sokoto Urban and Regional Planning Board randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. In practice, three inspections are conducted during construction.

Procedure 5. Receive an inspection during construction by the Sokoto Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 6. Receive an inspection during construction by the Sokoto Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 7*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 8. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies to PHCN by submitting a form and the relevant company documents. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office.

Procedure 9. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 10. Obtain a permanent electricity connection from PHCN

Time: 34 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Even though the actual connection can be made in a matter of days, due to supply problems of 3 phase pre-paid meters, it can take longer for the actual meter to arrive. In the meantime, BuildCo pays an estimated consumption monthly fee to PHCN. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

Procedure 11. Apply for water connection and pay the fees

Time: 1 day

Cost: NGN 70,000

Comments: In order to obtain a water connection, BuildCo needs to submit a simple application to the Sokoto Water Corporation.

Procedure 12. Receive inspection by water provider

Time: 1 day

Cost: No cost

Comments: After the application has been submitted, a team of inspectors from the Sokoto Water Corporation visits the site to ascertain what needs to be done.

Procedure 13*. Obtain water connection

Time: 3 days

Cost: No cost

Comments: Usually, the building is connected in a matter of days.

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

TARABA, Jalingo

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 7 days

Cost: NGN 75,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 2 copies to Buildco, and retains one copy for himself.

Procedure 2. Obtain a site analysis report from a registered town planner

Time: 7 days

Cost: NGN 20,000 (town planner fees)

Comments: BuildCo hires a registered town planner to analyze the site and draft a site analysis report (SAR), which details the location, accessibility and topography of the site, as well as the proximity of the site to essential services: electricity source, water source, hospital, commercial area, airport, etc. In Taraba, the report is required of all heavy constructions, including warehouses. The town planner typically carries out an inspection of the site, drafts the report, and give two copies to BuildCo.

Procedure 3. Obtain a fire safety report from the Fire Service Department

Time: 5 days

Cost: NGN 10,000

Comments: BuildCo submits the structural plans of the building to the Fire Service Department for examination. Based on its assessment of the drawings, the Fire Service Departments drafts a report, in which it details the possible fire hazards caused by the projects, as well as the necessary fire precautions and escape provisions to be taken by BuildCo. Two copies of the report are given to BuildCo.

Procedure 4. Apply for a building plan approval at the Town Planning Department of the Ministry of Environment and Urban Development

Time: 1 day

Cost: No cost

Comments: In order to obtain a building plan approval, BuildCo must submit a duly completed application form to the Town Planning Department of the Ministry of Environment and Urban Development, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Five sets of drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report;

f. Three-year tax clearance certificate;

g. Fire safety report.

The documents are reviewed by Town Planning Department. An on-site inspection will follow. Specific information. Once the building approval has been granted, two copies of the drawing are given back to BuildCo to be kept on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 5. Receive a pre-approval inspection from the Town Planning Department of the Ministry of Environment and Urban Development

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Town Planning Department of the Ministry of Environment and Urban Development conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. While the Town Planning Department conducts the building plan approval inspection, an officer from the Fire Service Department is invited to conduct an inspection and perform a verification exercise. If deemed satisfactory, a stamp of approval is applied on the fire safety report. The inspection and safety reports are then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Town Planning Department for final review and approval.

Procedure 6. Obtain a building plan approval from the Town Planning Department of the Ministry of Environment and Urban Development

Time: 21 days

Cost: NGN 55,000 (NGN 30,000 town planning fee + NGN 20,000 administration fee + NGN 5,000 health fee)

Comments: After the inspection and the payments have been completed, the documents are vetted by a Town Planning Officer, then forwarded to the approving officer for final approval. If granted, the Town Planning Department issues BuildCo a building plan approval in the form of an official letter and two stamped copies of the building plans initially submitted.

Procedure 7. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 8. Receive an inspection during construction from the Town Planning Department of the Ministry of Environment and Urban Development

Time: 1 day

Cost: No cost

Comments: Although the National Building code lists a precise inspection schedule, inspections in Taraba do not follow any particular order. During construction, a team of inspectors from the Urban Development Board randomly visits the site to ensure that the construction company has a building permit, that the project is duly supervised, and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

Procedure 9. Receive an inspection during construction from the Town Planning Department of the Ministry of Environment and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Receive an inspection during construction from the Town Planning Department of the Ministry of Environment and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11. Receive an inspection during construction from the Town Planning Department of the Ministry of Environment and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 12*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 13. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection

Time: 1 day

Cost: NGN 52,500 (3 phase pre-paid meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase pre-paid) required. An inspection is then conducted. Payment for the meter is made through a bank draft to PHCN.

Procedure 14. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building.

Procedure 15. Obtain a permanent electricity connection from PHCN

Time: 21 days

Cost: No cost

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. There is no meter supply problem in Taraba. Meter connection can be completed in 21 days. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

YOBE, Damaturu

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain an environmental impact assessment report from a registered town planner

Time: 18 days

Cost: NGN 43,000 (based on the value of the project: 0.3% of the first NGN 2 million + 0.2% of the next NGN 3 million + 0.1% of the next NGN 15 million + 0.05% of the next NGN 30 million + 0.02% of the next NGN 50 million)

Comments: BuildCo hires a registered town planner to analyze the site and draft an environmental impact assessment (EIA) report. The EIA report lists the potential impact of the project on the environment, such as the noise, traffic and increase in human density issues that might arise as a result of the development. In order to draft the report, the town planner first verifies the site plan (attached to the certificate of occupancy) as well as the preliminary drawings prepared by BuildCo's architects and engineers, before conducting an on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area. After the inspection, the town planner drafts the EIA report, and gives 3 copies to Buildco, and retains one copy for himself.

Procedure 2*. Obtain a fire safety report from the Fire Service Department

Time: 4 days

Cost: NGN 5,000

Comments: Officials of the Fire Service Department examine the drawings and make recommendations regarding which fire equipment should be installed, and how the building should be built to minimize risks of fire. The report includes specifications, accessibility to the site, location of the nearest source of water, location of fire hydrants and circuit breakers, power distribution board, electrical fittings, as well as types and size of electrical cables. Two copies of the report are given to BuildCo.

Procedure 3. Apply for a site plan approval at the Yobe State Ministry of Land and Survey

Time: 1 day

Cost: No cost

Comments: In order to obtain a site plan approval, BuildCo must submit a duly completed application form to the Director of Planning Development Control at the Yobe State Ministry of Land and Survey, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Environmental impact assessment report;

e. Site analysis report;

f. Three-year tax clearance certificate;

g. Fire safety report;

h. Certificate of structural stability signed by a registered engineer;

i. Receipt of payment of the development levy;

The documents are reviewed by officers at the Yobe State Ministry of Land and Survey. An on-site inspection will follow.

Procedure 4. Receive a pre-approval inspection from the Yobe State Ministry of Land and Survey

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Yobe State Ministry of Land and Survey conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project.

Procedure 5. Obtain the site plan approval from the Yobe State Ministry of Land and Survey

Time: 3 days

Cost: No cost

Comments: Following the inspection, the Yobe State Ministry of Land and Survey examines the documents submitted and issues BuildCo a site plan approval.

Procedure 6. Apply for a building permit at the Yobe State Ministry of Housing

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must resubmit for approval all aforementioned documents to the Chief Architect. An inspection will follow.

Procedure 7. Receive a pre-approval inspection from the Yobe State Ministry of Housing

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Yobe State Ministry of Housing conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Yobe State Ministry of Housing for final review and approval.

Procedure 8. Pay the building permit fees at a designated bank

Time: 1 day

Cost: NGN 130,090 (NGN 100 per square meter commercial properties)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Yobe State Ministry of Housing.

Procedure 9. Obtain a building permit from the Yobe State Ministry of Housing

Time: 4 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the State Ministry of Land and Survey examines the documents submitted and issues BuildCo a building permit.

Procedure 10. Dig a borehole to obtain water

Time: 14 days

Cost: NGN 500,000

Comments: The public water supply system is very unreliable. It is common practice for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity.

Procedure 11. Receive an inspection at setting out level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Yobe State Ministry of Housing. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the log kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 12. Receive an inspection at foundation level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Yobe State Ministry of Housing. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the log kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 13. Receive an inspection at first floor level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the first floor is complete, BuildCo's architect must notify the Yobe State Ministry of Housing. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the log kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 14. Receive an inspection at second floor level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the second floor is complete, BuildCo's architect must notify the Yobe State Ministry of Housing. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the log kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 15*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 16. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 31,500 (3 phase credit meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (credit 3 phase) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office.

Procedure 17. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 18. Obtain a permanent electricity connection from PHCN

Time: 14 days

Cost: NGN 20,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Only post-paid 3 phase credit meter are available in Damaturu, and take 14 days to arrive. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

ZAMFARA, Gusau

Procedures to build a warehouse

Warehouse value: US$ 443,000 = NGN 59,003,170

Data as of: January 2010

Procedure 1. Obtain a fire safety report from the Fire Service Department

Time: 7 days

Cost: No cost

Comments: Officials of the Fire Service Department examine the drawings and make recommendations regarding which fire equipment should be installed, and how the building should be built to minimize risks of fire. The report includes specifications, accessibility to the site, location of the nearest source of water, location of fire hydrants and circuit breakers, power distribution board, electrical fittings, as well as types and size of electrical cables. Two copies of the report are given to BuildCo.

Procedure 2. Apply for a building permit at the Zamfara State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Zamfara State Urban and Regional Planning Board, along with the following documents:

a. Proof of ownership (such as a certificate of occupancy);

b. Survey plan (attached to the certificate of occupancy);

c. Drawings duly signed by a registered architect, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, doors and windows schedules);
- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, schedule of sanitary fittings);

d. Fire safety report.

The documents are reviewed by officers at the Zamfara State Urban and Regional Planning Board. An on-site inspection will follow.

Procedure 3. Receive a pre-approval inspection from the Zamfara State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Zamfara State Urban and Regional Planning Board conducts an on-site inspection to verify that the plot reflects the details provided in the drawings and that the land is suitable for the proposed project. The inspectors draft a report in which the plot, roads, setback details, adjoining land and power and water connections are described. The report is then attached to the documents and drawings BuildCo submitted for approval, and forwarded to the Zamfara State Urban and Regional Planning Board for final review and approval.

Procedure 4. Pay the building permit fees at a designated bank

Time: 1 day

Cost: NGN 70,000

Comments: BuildCo is given a payment order to be submitted to and paid at a designated bank. After payment, BuildCo is given a teller – or bank receipt – to be submitted back to the Zamfara State Urban and Regional Planning Board.

Procedure 5. Obtain a building permit from the Zamfara State Urban and Regional Planning Board

Time: 5 days

Cost: No cost

Comments: After the inspection and the payments have been completed, BuildCo's application – along with the inspection report – is forwarded to the Director General of Town Planning who issues the final approval. The building permit is valid for 2 years.

Procedure 6. Dig a borehole to obtain water

Time: 5 days

Cost: NGN 1,500,000

Comments: The public water supply system being very unreliable, the common practice is for construction companies to hire the services of a private borehole company to drill and install a borehole of commercial capacity. Zamfara is located on a rocky terrain, which increases the price of drilling a borehole in the area.

Procedure 7. Receive an inspection at setting out level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Zamfara State Urban and Regional Planning Board. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection.

If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the diary kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 8. Receive an inspection at foundation level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Zamfara State Urban and Regional Planning Board. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the diary kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 9. Receive an inspection at first floor level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the first floor is complete, BuildCo's architect must notify the Zamfara State Urban and Regional Planning Board. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the diary kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 10. Receive an inspection at second floor level from the Yobe State Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Once the second floor is complete, BuildCo's architect must notify the Zamfara State Urban and Regional Planning Board. A team of inspectors (an architect, a structural engineer, a mechanical engineer and, at the initial stage, a town planner) visits the construction-site to ensure that the project is duly supervised and that the construction follows the specifications mentioned in the building plan previously provided by BuildCo. Construction work does not stop during the inspection. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further. If there is no problem, the inspecting team signs the diary kept on-site by the supervising architect. After each inspection, an approval is issued in writing authorizing the construction to proceed.

Procedure 11*. Obtain a permanent phone connection

Time: 1 day

Cost: NGN 6,000 (handset + connection)

Comments: Nigerian Telecommunications Limited (NITEL), the public company historically in charge of providing phone landlines in Nigeria, is no longer functioning. Most Nigerian companies use a cell phone, with a subscription to one of the operators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

Procedure 12. Apply to the Power Holding Company of Nigeria (PHCN) for a permanent electricity connection and pay the fees

Time: 1 day

Cost: NGN 31,500 (3 phase credit meter)

Comments: BuildCo applies for a permanent electricity connection by submitting a form and the relevant company documents to PHCN. On the application form, BuildCo must indicate its consumption capacity as well as the meter (3 phase credit) required. An inspection is then conducted. Payment for the meter is made in cash at the PHCN office.

Procedure 13. Receive an inspection from PHCN and pay the electricity fees at the bank

Time: 1 day

Cost: No cost

Comments: The PHCN business unit sends out a team to inspect the building. In practice this is usually done on the same day the application is made.

Procedure 14. Obtain a permanent electricity connection from PHCN

Time: 30 days

Cost: NGN 20,000 (contractor fees)

Comments: Once the inspection and the payment have been completed, PHCN connects BuildCo's warehouse to electricity. Only post-paid 3 phase credit meter are available in Zamfara. It takes 30 days to obtain a meter. Except for the application and the inspection, all other electricity related processes are handled by a contractor licensed by LECAN (Licensed Electrical Contractors of Nigeria).

*This procedure can be completed simultaneously with previous procedures.

LIST OF PROCEDURES

Registering property

ABIA, Aba

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 1,500 (fixed search fee)

Comments: Before the search can be conducted, the applicant is required to pay the search fee at a designated bank and obtain proof of payment.

Procedure: 2. Conduct search of property files at Land Registry

Time: 1 day

Cost: NGN 10,000 (legal fee)

Comments: A lawyer is required to conduct the property search on behalf of the applicant. Lawyer's fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. In practice, lawyers usually charge NGN 10,000 as legal fees for conducting the search of property files. The lawyer makes a formal application to the Ministry of Lands, Survey and Urban Planning, and attaches the receipt of payment of search fee. It takes 1 day to perform the search as the deeds Office is now computerized.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Generally, lawyers charge 10% of the value of consideration, which is negotiable. The fee covers both the preparation of the deed of assignment and the registration of title.

Procedure: 4. Submit application for Governor's consent to the assignment to Lands Registry

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in the territory of each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Abia State, the authority to grant consent has not been delegated, and the Governor himself approves the applications. The application consists of a formal letter addressed to the Director of Lands, Ministry of Lands, Survey and Urban Planning, and the following documents:

a. Four (4) copies of the deed of assignment for which consent is sought;

b. Current tax clearance certificate.

Procedure: 5. Receive inspection and valuation of property from Zonal Lands Department

Time: 14 days

Cost: No cost

Comments: Inspection and valuation of the property is conducted by the valuation unit of the Zonal Lands Department. The purpose of the valuation is to determine the market value of the property, based on which the consent fee is calculated. The valuation is usually conducted within 14 days of the application for consent.

Procedure: 6. Obtain a report from the property valuation and pick up payment orders from Lands Registry

Time: 10 days

Cost: No cost

Comments: It takes 10 days for the authorities to prepare the valuation report and calculate the fees. In December 2009 the Executive Council of Abia State Government passed a resolution to increase administrative fees by 25% across the board.

Procedure: 7. Pay fees at a designated bank

Time: 1 day

Cost: NGN 30,200 (NGN 1,250 inspection fee + NGN 12,500 consent fee + NGN 6,250 registration fee + NGN 10,200 revalidaton and administrative fee)

Comments: Applicant makes the payment at a designated bank and picks up a payment receipt.

Procedure: 8. Assessment and payment of capital gains tax at Board of Internal Revenue

Time: 4 days

Cost: NGN 386,584 (5% of the property value)

Comments: Capital gains tax is calculated at 5% of the value of property and paid at the Board of Internal Revenue.

Procedure: 9*. Assessment of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant presents the deed of assignment to the Stamp Duty Office for assessment.

Procedure: 10. Pay stamp duty at a designated bank

Time: 5 days

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant must go to a designated bank and pay the stamp duty. Payment is made by bank draft payable to a designated bank. It takes about 5 days for the Stamp Duty Office to receive confirmation of payment.

Procedure: 11. Stamping the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented for stamping. Stamping only takes place after the Stamp Duty Office receives confirmation of payment.

Procedure: 12. Submit payment receipts to Lands Registry and obtain Governor's consent

Time: 60 days

Cost: No cost

Comments: The applicant submits the receipts for payment of fees to the Ministry of Lands, Survey and Urban Planning. After reviewing the documents, the Director makes a recommendation to the Commissioner of Lands. The Commissioner, if satisfied, endorses the documents and sends them to the Governor for final consent.

Procedure: 13. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After obtaining the Governor's consent, the buyer's lawyer has the deed filed at the Land Registry. Evidence of payment of registration fee is required.

*This procedure can be completed simultaneously with previous procedures.

ADAMAWA, Yola

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 2,500 (NGN 2,500 search fee)

Comments: Before the search can be performed the applicant has to pay the search fee at a designated bank.

Procedure: 2. Conduct search on property files at Lands Registry

Time: 5 days

Cost: NGN 386,584 (5% of the property value for legal fees)

Comments: The application letter to conduct the search is accompanied by a sworn declaration of the status of the party and purpose of search. A lawyer is required to perform the registration of property. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. In Adamawa state the average legal fees are 5% of the value of consideration. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 3. Pay fee for application form at a designated bank

Time: 1 day

Cost: NGN 5,500

Comments: The amount is fixed by the Ministry of Lands and Survey as standard fee regardless of property value.

Procedure: 4. Obtain Application Land Form 13A

Time: 1 day

Cost: No cost

Comments: Land Application Form 13 A is obtained from the Ministry of Lands and Survey, Yola after a payment of NGN 5,500 application fee at a designated bank.

Procedure: 5. Execute deed of assignment and Land Form 13A

Time: 1 day

Cost: No cost

Comments: The seller and buyer complete and sign Land Form 13A and five (5) copies of the deed of assignment

Procedure: 6. Assessment of the deed of assignment at the Lands Registry

Time: 1 day

Cost: No cost

Comments: The deed is presented by the buyer's lawyer to the Land Registry for assessment of property value to determine fees.

Procedure: 7. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The applicant is required to submit the following documents:

a. Signed deed of assignment;

b. Tax clearance certificates;

c. Property title document;

d. Copy of the building plan.

Procedure: 8. Pay administrative, consent, and registration fees at a designated bank

Time: 1 day

Cost: NGN 314,767 (NGN 500 administrative fee + NGN 5,000 consent fee + 4% of the property value registration fee)

Comments: The administrative and consent fees are fixed at NGN 500 and NGN 5,000 respectively, regardless of the value of property. Registration fee is calculated as 4% of the value of property.

Procedure: 9. Submit evidence of payment of fees to Director of Lands Service and obtain Governor's consent

Time: 75 days

Cost: No cost

Comments: The receipts obtained previously are to be submitted to the office of the Director for Land Services. The Land Services department then continues with several internal procedures to finalize Governor's consent. This takes between 61-90 days to complete.

Procedure: 10. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office typically uses the value of the property indicated by the Lands Registry in their assessment, so basically this is a formality and one picks up the demand notice for payment at the same time.

Procedure: 11. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is by bank draft payable to any of the designated receiving banks.

Procedure: 12. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office (agency of Inland Revenue Services).

Procedure: 13. Registration of deed at Lands Registry

Time: 30 days

Cost: No cost

Comments: After submitting evidence of payment of registration fee, the buyer's lawyer then follows up for the deed to be filed to the Lands Registry.

REGISTERING PROPERTY

AKWA IBOM, Uyo

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 6,000 (NGN 1,000 search fee + NGN 5,000 legal fee)

Comments: Applicant applies by furnishing the particulars of the property in question to the Land Registry. An applicant can individually request a search, but it is common practice for a lawyer to act on behalf of the applicant for a fee of NGN 5,000. The essence of the search is to reveal whether the property is encumbered. The search fee of NGN 1,000 is paid at a cash office at the Ministry of Lands. If the results of the search are satisfactory, the lawyer proceeds to prepare the deed of assignment.

Procedure: 2. Execute deed of assignment

Time: 2 days

Cost: NGN 773,168 (10% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. The stipulated fee comes out to 10% of the value of consideration, but in practice most lawyers negotiate outside the provisions of the law. The legal fees cover the preparation of deed of assignment and subsequent registration of the title.

Procedure: 3. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The Governor of Akwa Ibom state delegates his power of consent to the Commissioner, Ministry of Lands and Town Planning. No consent form is required. The applicant applies by furnishing a letter of assignment from the seller (indicating that he has duly assigned the property). In addition the applicant submits the following documents:

a. Four (4) copies of the deed of assignment;

b. Photocopy of certificate of occupancy;

c. Past 3 years tax clearance certificate of buyer;

d. Evidence of payment of up-to-date ground rent.

Procedure: 4*. Pay application and registration fee at Ministry of Lands

Time: 1 day

Cost: NGN 4,500 (NGN 2,000 application fee + NGN 2,500 registration fee)

Comments: At the time of submission of application the applicant has to pay the application fee and registration fee to a cash officer at the Ministry of Lands and Town Planning.

Procedure: 5. Receive inspection and evaluation from the Ministry of Lands and Town Planning

Time: 7 days

Cost: No cost

Comments: An inspection of the property is conducted by officers of the Ministry of Lands and Town Planning, who prepare a report of the inspection for the Director. The Director then makes an assessment of the property to determine the current open market value. The current open market value is used to calculate the consent fee.

Procedure: 6. Obtain payment order from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The applicant goes back to the Ministry of Lands and Town Planning within 7 days of submitting the application to be informed of the applicable fees.

Procedure: 7. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 193,292 (2.5% of the current open market value of the property)

Comments: Consent fee is assessed at 2.5% of the current open market value of the property as determined by the Ministry of Lands and Town Planning. Payment is made at a designated bank and teller receipt is issued.

Procedure: 8. Submit receipts to Ministry of Lands and obtain Governor's consent

Time: 31 days

Cost: No cost

Comments: The receipt for the payment of consent fee is submitted to the Ministry of Lands and Town Planning. The applicant's file then moves up the office desks from Director to Permanent Secretary to Commissioner for approval. It usually takes the Commissioner 30 days to give consent.

Procedure: 9. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After the Commissioner gives consent, the applicant takes the deed of assignment to the Stamp Duty Office for assessment. The Stamp Duty Office calculates the fee using the value of the property indicated in the deed. The applicant is required to pay stamp duty within 90 day of execution of the deed, otherwise a penalty will be incurred.

Procedure: 10. Pay of stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant pays stamp duty at a designated bank. After payment a teller receipt is issued. Stamp duty in Akwa Ibom is calculated at 3% of value of the property as indicated in the deed.

Procedure: 11. Stamping of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty at the bank, the deed is presented for stamping at the Stamp Duty Office. Evidence of payment must be shown.

Procedure: 12. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After payment of the stamp duty the applicant then follows up for the deed to be registered in the Lands Registry, to make it a perfected legal document. The registration fee must have already been paid in Procedure 4.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

ANAMBRA, Onitsha

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 1,000 (standard search fee)

Comments: Before the search can be conducted, the applicant is required to pay the search fee at a designated bank and obtain proof of payment. The search fee was originally NGN 5,000, but was reduced to NGN 1,000 in 2007.

Procedure: 2. Conduct a search of property title at Lands Registry

Time: 1 day

Cost: NGN 10,000 (legal fee for search)

Comments: The essence of conducting the search is to determine whether there any encumbrances on the property. A lawyer is required to conduct the property search on behalf of the applicant. Lawyer's fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. In practice, lawyers usually charge NGN10,000 for conducting the search.

Procedure: 3. Prepare and execute of deed of assignment

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Generally, lawyers charge 10% of the value of consideration, which is negotiable. The fee covers both the preparation of the deed of assignment and subsequent registration of title.

Procedure: 4. Submit application for Governor's consent to the assignment to Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in the territory of each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Anambra, the authority to grant consent is not delegated to the Commissioner of Lands and the Governor personally approves each transfer. Applicant makes a formal application, which is addressed to the Governor. The applicant must attach four (4) copies of the deed of assignment to which consent is sought and tax clearance certificate.

Procedure: 5. Receive an inspection and valuation of property from the Ministry of Lands

Time: 5 days

Cost: No cost

Comments: A valuation officer from the Ministry of Lands inspects the property and prepares a valuation report. The purpose of valuation is to determine the capital value of the property, based on which the consent fee will be assessed. Since the payment of a valuation fee was dropped, the valuation is usually completed in 5 days.

Procedure: 6. Pick up payment orders from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: Following the valuation of property, the applicant goes back to the Ministry to pick up payment orders for all administrative fees.

Procedure: 7. Pay fees at a designated bank

Time: 1 day

Cost: NGN 174,634 (NGN 5,000 inspection fee + NGN 10,000 computerization fee + NGN 5,000 registration fee + 2% of the property value consent fee)

Comments: The applicant makes the payment at a designated bank and picks up a payment receipt.

Procedure: 8. Assessment of capital gains tax by INOCK

Time: 1 day

Cost: No cost

Comments: The state government contracted INOCK consultants, private consultants, to assess and oversee the collection of capital gains tax. In Anambra, capital gains tax is calculated at 10% of the profit made in the transaction.

Procedure: 9. Submit the deed of assignment for assessment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant presents the deed of assignment to the Stamp Duty Office for assessment.

Procedure: 10. Pay stamp duty and capital gains tax at a designated bank

Time: 3 days

Cost: NGN 231,950 (3% of the property value stamp duty; capital gains tax is also paid, but not included in the calculation)

Comments: The applicant must go to a designated bank and pay the stamp duty. Payment is by bank draft payable to a designated bank. It takes about 3 days for the Stamp Duty Office to receive confirmation of payment.

Procedure: 11. Stamping the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented for stamping. Stamping takes place only after the Stamp Duty Office receives confirmation of payment.

Procedure: 12. Submit receipts of payment of fees to Ministry of Lands and obtain Governor's consent to the assignment

Time: 181 days

Cost: No cost

Comments: The applicant submits the receipt for payment of fees to the Ministry of Lands, Survey and Urban Planning. After reviewing the documents, the Director makes a recommendation to the Commissioner of Lands. The Commissioner, if satisfied, endorses the documents and sends them to the Governor for final consent.

Procedure: 13. Registration of deed at Lands Registry

Time: 14 days

Cost: No cost

Comments: After obtaining the Governor's consent, the buyer's lawyer follows up for the deed to be filed at the Land Registry. Evidence of payment of registration fee is required.

REGISTERING PROPERTY

BAUCHI, Bauchi

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search of property title at the Ministry of Lands and Survey

Time: 3 days

Cost: NGN 389,084 (NGN 2,500 search fee + 5% of the property value legal fees)

Comments: The lawyer representing the buyer submits an application to the Lands Registry requesting to search the property title. The fee is paid to the Revenue Section of the Ministry, located in the same building. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. Generally, lawyers charge 5% of the value of consideration, but do negotiate fees outside the provisions of the law. The fees cover the search, the preparation of deed of assignment and registration of title.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: No cost

Comments: Seller and buyer sign the deed of assignment prepared by a lawyer.

Procedure: 3. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in territory of each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Bauchi, the authority to grant consent has been delegated to the Commissioner, Ministry of Lands and Survey. The application should be accompanies by a photocopy of the title document and proof of payment of ground rates.

Procedure: 4. Receive a valuation inspection from the Ministry of Lands

Time: 7 days

Cost: No cost

Comments: An inspection of the property is conducted to ensure that the improvements to the land have been done according to the specifications made by the Ministry of Lands and to determine the value of the property for the purpose of calculating fees.

Procedure: 5. Obtain letter of consent from the Governor

Time: 60 days

Cost: No cost

Comments: The applicant receives a letter of consent allowing him/her 4 months for payment of the fees and registration

Procedure: 6. Pay consent and registration fees at a designated bank

Time: 1 day

Cost: NGN 234,450 (3% of the property value registration fee + NGN 2,500 consent fee)

Comments: The applicant or the lawyer must go to a designated bank to pay the registration and consent fees.

Procedure: 7. Submit the deed of assignment for assessment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for assessment of stamp duty at Stamp Duty Office (agency of Federal Inland Revenue Services). The Stamp Duty Office typically uses the value of the property as indicated by the Lands in their assessment to calculate fees, and the applicant picks up the demand notice for payment at the same time. In January 2007 a Stamp Duty Office was established in Bauchi, greatly facilitating this procedure. Previously, applicants had to travel to Kaduna or Abuja to carry out stamping.

Procedure: 8. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant or the lawyer must go to a designated bank to pay stamp duty. Payment is by bank draft payable to any of the designated receiving banks.

Procedure: 9. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at Stamp Duty Office.

Procedure: 10. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost

Comments: After paying the registration fee, and stamping the deed of assignment, the buyer's lawyer then follows up for the deed to be filed to the Lands Registry.

REGISTERING PROPERTY

BAYELSA, Yenagoa

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 10,000 (NGN 10,000 legal fee for search)

Comments: Applicant applies by furnishing the particulars of the property in question to the Land Registry. An applicant can individually request for a search, but it is common practice for a lawyer to act on behalf of the applicant for a fee. The essence of the search is to reveal whether the property is encumbered. There is actually no specified amount for search fee. The lawyer usually charges NGN 10,000 as legal fees. If search is satisfactory the lawyer proceeds to prepare the deed of assignment.

Procedure: 2. Execute deed of assignment

Time: 2 days

Cost: NGN 773,168 (10% of the property value legal fee)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the scale of fees for Conveyancing Matters (Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991). The stipulated fee comes out to 10% of the value of consideration, but in practice most lawyers negotiate outside the provisions of the law. The legal fees cover the preparation of deed of assignment and subsequent registration of the title.

Procedure: 3. Pay consent application form fee at a designated bank

Time: 1 day

Cost: NGN 5,000 (consent application form fee)

Comments: Before obtaining the consent application form, the applicant has to pay NGN 5,000 at designated bank. Upon payment, a teller receipt is issued to the applicant. This receipt is taken back to the Ministry to obtain the consent form.

Procedure: 4. Obtain consent application form from Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Applicant takes the receipt to the Lands Department, Capital City Development Authority to obtain and fill out the consent form.

Procedure: 5. Submit application for Governor's consent to the assignment to Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The Governor of Bayelsa state delegates his power of consent to the Executive Secretary, Capital City Development Authority (CCDA). The documents submitted include:

a. Completed consent application form;

b. Three copies of the deed of assignment;

c. Photocopy of title document;

d. Current tax clearance certificate of buyer;

e. Evidence of payment of up-to-date ground rent.

Procedure: 6. Receive inspection and evaluation from the Lands Department, CCDA

Time: 1 day

Cost: No cost

Comments: An inspection of the property is conducted by officers of the Lands Department, CCDA, who prepares a report of the inspection to the Director, Lands Department, CCDA. The Director then makes an assessment of the property to determine the current market value. The current market value is used to calculate the consent fee.

Procedure: 7. Obtain payment order from CCDA

Time: 7 days

Cost: No cost

Comments: Applicant goes to the Lands Department, CCDA within 7 days of submitting application to be informed of the applicable fees.

Procedure: 8. Pay fees at a designated bank

Time: 1 day

Cost: NGN 164,634 (2% of current market value of the property consent fee + NGN 5,000 registration fee + NGN 5,000 execution fee)

Comments: Consent fee is assessed at 2% of the current market value of the property as determined by the Lands Department. Payment is made at a designated bank and teller receipt is issued.

Procedure: 9. Submit receipts and Obtain Governor's consent from CCDA

Time: 61 days

Cost: No cost

Comments: The receipt for the payment of consent fee is submitted to the Lands Department, CCDA. The applicant's file then moves up to the desk of the Executive Secretary for approval. It usually takes the Secretary 60 days to give consent.

Procedure: 10. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After the Executive Secretary has given his consent, the applicant takes the deed of assignment to the Stamp Duty Office for assessment. The Stamp Duty Office calculates the fee using the value of the property indicated in the deed.

Procedure: 11. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 154,634 (2% of the property value)

Comments: The applicant pays the stamp duty at a designated bank. After payment a teller receipt is issued. Stamp duty in Bayelsa is calculated at 2% of value of the property indicated in the deed.

Procedure: 12. Stamping of the deed at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty at the bank, the deeds are presented for stamping at the Stamp Duty Office. The applicant has to present receipt of payment of stamp duty.

Procedure: 13. Registration of the deed of assignment at Lands Registry

Time: 5 days

Cost: No cost

Comments: After the stamping of the deed, the applicant follows up for the deed to be registered in the Lands Registry to make it a perfected legal document. Registration only takes place after confirmation that stamp duty has been paid.

BENUE, Makurdi

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 2,000

Comments: The applicant goes to the Lands Registry and collects a form from the Land deeds Officer, which is then filled out. The payment is made at the cash office. The form is then stamped to confirm payment and a receipt is issued, after which the applicant is given access to conduct the search. The applicant can ask for the registry files to conduct the search him/herself or ask for the assistance of the ministry staff.

Procedure: 2*. Obtain Land Form from Lands Registry

Time: 1 day

Cost: NGN 1,000

Comments: The applicant goes to the Lands Registry, makes the required payment and collects a Land Form. The form will be completed and submitted later as part of the application for the Governor's consent to the transaction.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: NGN 154,634 (2% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. According to this scale of fees the fee should be 10% of the consideration, but in practice it is negotiated and is normally about 2% of the consideration. The legal fees cover the preparation of the deed of assignment and subsequent procedures that require the involvement of a lawyer.

Procedure: 4. Assessment of deed of assignment at Lands Registry

Time: 7 days

Cost: NGN 5,000

Comments: The applicant pays the NGN 5,000 fee at the Lands Registry and presents the deed of assignment together with the following documents:

a. Tax clearance for the past 3 years;

b. 3 passport-size photographs;

c. Application Land Form filled and signed by the seller or his attorney requesting the Governor's consent.

The Lands Registry will then send two officers to carry out two separate evaluations. After the evaluation, if the Lands Registry accepts the value stated in the deed the payment is 3%, but if they go with their own assessed value the payment is 1%. In practice they usually go with the applicant's valuation.

Procedure: 5*. Receive site evaluation visit by Lands Registry officials

Time: 7 days

Cost: No cost

Comments: The site evaluations are carried out by officials of the Lands Registry and involve officers visiting the site. They entail two visits by different officers in order to obtain as precise a valuation as possible. In practice though, these visits rarely happen and the Lands Registry usually relies on the applicant's valuation for assessment purposes.

Procedure: 6*. Obtain Governor's consent to the assignment

Time: 90 days

Cost: No cost

Comments: The application for consent is made when the deed is submitted for assessment. It can take up to 90 days from the date of application to receive the consent. If there is any indebtedness for ground rent on the property the due must be paid at the Lands Registry, but if there is no outstanding ground rent there is no cost associated with this procedure.

Procedure: 7. Pay registration fee at the Lands Registry

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The payment of 3% of the value of the property is for the registration fee, and it is the only fee required. Payment is made at the cash office of the Lands Registry and a receipt is issued. Once the payment is made the applicant's file is endorsed.

Procedure: 8. Pay stamp duty and stamping the deed of assignment at Federal Inland Revenue Service

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant goes to the Federal Inland Revenue in Makurdi, where the assessment and payment are made and the deed is stamped.

Procedure: 9. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost

Comments: The applicant presents the stamped deed of assignment for registration.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

BORNO, Maiduguri

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search of property title at Ministry of Lands and Survey

Time: 1 day

Cost: NGN 468,901 (NGN 5,000 search fee + 6% of the property value legal fee)

Comments: The application letter to conduct the search prepared by a lawyer is accompanied by a sworn declaration of the status of the party and purpose of search. A lawyer is required to perform the registration of property. Payment of search fees is made in cash at the Lands Registry. Legal fees are based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. In Borno the legal fees are usually around 6% of the value of property. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Execute deed of assignment

Time: 2 days

Cost: No cost (paid in Procedure 1)

Comments: The lawyer of either party prepares the deed, which is then vetted by the lawyer of the other party. Both parties then sign the deed.

Procedure: 3. Assessment of the deed of assignment at Land Registry

Time: 1 day

Cost: No cost

Comments: The deed is presented by the buyer's lawyer to the Land Registry for assessment of property value to determine registration fee and stamp duty.

Procedure: 4. Submit application for Governor's consent and pay consent and registration fees at Lands Registry

Time: 1 day

Cost: NGN 391,584 (NGN 5,000 consent fee + 5% of the property value registration fee)

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Borno the Governor has delegated the authority to give consent to the Commissioner of Lands and Survey. The applicant is required to submit a letter of application for consent, the executed deed, and pay the consent and registration fees.

Procedure: 5. Pay stamp duty at Borno State Board of Inland Revenue

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: Stamp Duty is assessed by the Lands Registry, but paid to the Board of Internal Revenue.

Procedure: 6. Stamping the deed of assignment at Lands Registry

Time: 1 day

Cost: No cost

Comments: After stamp duty is paid and confirmation of payment is presented, the deed is stamped.

Procedure: 7. Obtain Governor's consent to the assignment

Time: 2 days

Cost: No cost

Comments: After the applicant makes all the payments and submits the necessary documents, the Lands Registry initiates an internal processes leading to the issuance of consent. Since the task is delegated to the Commissioner of Lands, it takes two days for consent to be issued.

Procedure: 8. Registration of deed at Lands Registry

Time: 5 days

Cost: No cost

Comments: Upon obtaining consent and payment of stamp duty and registration fee, the deed is presented to the Land Registry for registration. Tax clearance certificate of the seller is required.

REGISTERING PROPERTY

CROSS RIVER, Calabar

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 1,000 (search fee)

Comments: Before the search on the property title can be performed, the applicant pays the search fee at a bank.

Procedure: 2. Conduct search on property files at Land Registry

Time: 7 days

Cost: NGN 773,168 (10% of the property value legal fees)

Comments: As a result of a Government drive that encourages people to register their property which has increased the volume of search requests, it now takes 7 days to perform the search. In Cross River it is a practice for lawyers to conduct title searches and property registrations. According to the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991] the legal fee should be 7.5% of property value, if lawyer acts on behalf of the buyer, and 5% on behalf of the seller. However, in Cross River, the minimum standard fixed fee is 10% of property value, whether acting on behalf of the seller of buyer, value notwithstanding. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 3. Submit an application letter to the Director of Lands

Time: 1 day

Cost: No cost

Comments: The buyer/seller's lawyer submits a letter to the Director of Lands, indicating that a transaction is about to take place between the buyer and seller in respect to a plot located within the state. The letter includes the names of seller and buyer, location of the property, purchase price and request an assessment of due fees.

Procedure: 4. Execute deed of assignment

Time: 1 day

Cost: No cost

Comments: The seller and buyer sign four copies of the deed of assignment.

Procedure: 5. Assessment of the deed of assignment at the Stamp Duty Office, Federal inland Revenue Service

Time: 1 day

Cost: NGN 5,000 (transportation cost to Port Harcourt or Aba)

Comments: The deed is presented by buyer's lawyer for assessment of property value to determine stamp duty to the Stamp Duty Office (agency of Inland Revenue Services). There is no Stamp Duty Office in Cross River state as of yet, so travel to either Port Harcourt in Rivers state or Aba in Abia state is necessary. The following procedures (5 and 6) are also conducted there. Typically lawyers would stay in Port Harcourt or Aba for 2-3 days until the stamping is completed.

Procedure: 6. Pay stamp duty at a designated bank

Time: 5 days

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant or lawyer must go to a designated bank to pay the stamp duty. Payment is by bank draft payable to any designated receiving banks. It takes a few days for the Stamp Duty Office to receive the confirmation of payment.

Procedure: 7. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer presents proof of payment of stamp duty to the Stamp Duty Office and submits the deed for stamping.

Procedure: 8. Assessment of the deed of assignment at Lands Registry

Time: 7 days

Cost: No cost

Comments: Following the stamping, the applicant submits the deed of assignment to the Ministry of Lands for assessment of fees.

Procedure: 9. Pick up demand notices for payment of fees from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The applicant collects demand orders for payment of application fee, consent fee and capital gains tax. Capital gains tax is calculated at 10% of the profit made in the transaction.

Procedure: 10. Pay fees at a designated bank

Time: 2 days

Cost: NGN 150,975 (NGN 1,000 for application fee + 1.5% of the property value for consent fee + NGN 1,000 registration fee +NGN 30,000 approval fee + NGN 3,000 lodgment fee; capital gains tax is also paid, but not included in the calculation)

Comments: Payment is by bank draft to any of the designated receiving banks. It takes a couple of days for the Land Registry to receive confirmation of payment.

Procedure: 11. Submit the receipt of payment of fees to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The receipts obtained in Procedure 9, together with the paying-in slip to the designated bank, are to be submitted to the cashier at the Lands Registry who issues another receipt.

Procedure: 12. Submit an application and obtain Governor's consent for property transfer

Time: 39 days

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in territory of each state became vested in the Governor of that state, whose prior consent is mandatory for the legal transfer or alienation of interest in landed property. In Cross River, the issuance of consent has been delegated to the Commissioner for Lands, which sped up the process. The documents to be submitted include:

a. Four copies of the deed on which consent is sought;

b. Evidence of payment of the consent fee, stamp duty, and capital gains tax;

c. Evidence of payment of land use charge.

It takes about a month to obtain consent.

Procedure: 13. Registration of deed of assignment at Lands Registry

Time: 3 days

Cost: No cost

Comments: After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed to the Lands Registry. The receipt and paying in slips evidencing payment are given to the cashier at the Land Registry, who in turn issues a receipt. With proof of payment a lands officer is assigned to enter the deed into the Land Registry records.

REGISTERING PROPERTY

DELTA, Warri

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 2,000

Comments: Before the search on the property title can be performed, the applicant pays the search fee at a bank.

Procedure: 2. Conduct search on property files at Land Registry

Time: 1 day

Cost: NGN 386,584 (5% of the property value legal fees)

Comments: The application letter to conduct the search is accompanied by a sworn declaration of the status of the party and purpose of search. A lawyer is required to perform the registration of property. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. This is a sliding scale, and averages out at about 5% of the consideration. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 3. Obtain Application Land Form 1C from Ministry of Lands

Time: 1 day

Cost: NGN 1,500

Comments: Form 1C is the application form to request later the Governor's consent to the transaction (required by Nigerian law). It can be paid either at a designated branch or to the bank's officer at the Lands Department.

Procedure: 4. Execute deed of assignment and Land Form 1C

Time: 1 day

Cost: No cost (Paid in Procedure 2)

Comments: The seller and buyer complete and sign Land Form 1C and five (5) copies of the deed of assignment.

Procedure: 5. Assessment of the deed of assignment at Lands Registry

Time: 1 day

Cost: No cost

Comments: The deed is presented by the buyer's lawyer to the Land Registry for assessment of property value to determine registration fees, and consent fees.

Procedure: 6. Obtain certified true copy (CTC) of title document from Lands Registry

Time: 2 days

Cost: NGN 6,000

Comments: The seller issues a letter of authority to the Director of Land Services of the Lands Registry, authorizing the lawyer to apply for and obtain CTC of title document, required for Governor's consent.

Procedure: 7. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Delta State the power to grant consent has been delegated to the Commissioner for Lands. The documents to be submitted include:

a. Application form;

b. Deed of assignment;

c. Tax clearance of assigning company;

d. Certified true copy of the title document;

e. Evidence of paid ground rate up to date.

Procedure: 8. Pay prescribed fees at a designated bank

Time: 1 day

Cost: NGN 1,164,752 (15% of the property value capital (consent) fee + NGN 5,000 registration fee)

Comments: Applicant or lawyer pay prescribed fees at a designated bank and obtain receipts.

Procedure: 9. Submit the receipt of payment of fees to the office of the Director of Land Services and obtain Governor's consent

Time: 61 days

Cost: No cost

Comments: The receipts obtained previously are to be submitted to the office of the Director for Land Services. The Land Services department then continues with several internal procedures to finalize Governor's consent. The practice is for the buyer's lawyer to follow up on the application to ensure that it receives the required attention. It takes one day to submit the receipts and 60 days to obtain consent.

Procedure: 10. Assessment of the deed of assignment at the Inland Revenue Service

Time: 1 day

Cost: No cost

Comments: The deed is presented for assessment of stamp duty and capital gains tax. The FIRS typically uses the figure as indicated by the Lands Registry in their assessment for calculating the fees, so basically this is a formality and one picks up the demand notice for payment at the same time

Procedure: 11. Pay capital gains tax and stamp duty at a designated bank

Time: 1 day

Cost: NGN 425,242 (3% of the property value stamp duty + 2.5% of the property value capital gains tax)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is by bank draft payable to any of the designated receiving banks.

Procedure: 12. Stamping of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office (agency of Inland Revenue Services).

Procedure: 13. Registration of deed at Lands Registry

Time: 3 days

Cost: No cost

Comments: After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed to the Lands Registry. The receipt and paying-in slips evidencing payment are given to the cashier at the Lands Registry, who in turn issues a receipt. A lands officer is then assigned to enter the deed into the Registry records.

REGISTERING PROPERTY

EBONYI, Abakaliki

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 2,000

Comments: Before the search is performed, the applicant or his lawyer should pay the search fee at a bank and submit proof of payment when requesting the search.

Procedure: 2. Conduct search on property files at Land Registry

Time: 2 days

Cost: NGN 10,000 (legal fees)

Comments: A lawyer is required to conduct the search on behalf of the applicant at the Lands Registry. Lawyers usually charge NGN 10,000 as legal fees for conducting the search.

Procedure: 3. Execute deed of assignment

Time: 5 days

Cost: NGN 773,168 (10% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. Generally, lawyers charge 10% of the value of consideration, but do negotiate fees outside the provisions of the law. The fees cover both preparation of deed of assignment and registration of title.

Procedure: 4. Submit application for Governor's consent to the assignment to Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in territory of each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Ebonyi, the authority to grant consent is delegated to the Commissioner of Lands. Applicant makes a formal application addressed to the Commissioner of Lands. Also submitted with the application are four (4) copies of the deed of assignment to which consent is sought and tax clearance certificate.

Procedure: 5. Receive inspection and valuation of the property by the Ministry of Lands

Time: 4 days

Cost: No cost

Comments: Inspection and valuation are conducted by the valuation unit of the Ministry of Lands. Based on the valuation the capital value of the property is determined. The consent fee is calculated using the capital value. This procedure is completed within 4 days (1 day for the inspection, 3 days for the valuation).

Procedure: 6. Pick up payment order from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The applicant goes back to the Ministry of Lands, Survey and Housing to be informed of the valuation and pick up payment order.

Procedure: 7. Pay fees at Ministry of Lands

Time: 1 day

Cost: NGN 163,634 (NGN 3,000 registration fee + NGN 3,000 inspection fee + 2% of the capital value consent fee + NGN 3,000 preparation fee)

Comments: The applicant pays the fees at the cash office, Accounts Department, Ministry of Land, Survey and Housing.After the payment a treasury receipt is issued.

Procedure: 8. Assessment of deed of assignment at Federal Board of Internal Revenue

Time: 1 day

Cost: No cost

Comments: The applicant takes the deed of assignment to the Federal Board of Internal Revenue for assessment. Duties on transfer of property between companies are subject to federal tax, not state.

Procedure: 9. Pay stamp duty at a designated bank

Time: 4 days

Cost: NGN 154,634 (2% of the property value)

Comments: The applicant or lawyer pays the stamp duty at the Stamp Duty Office at the Ministry of Finance.

Procedure: 10. Stamping of the deed of assignment at Stamp Duty Office

Time: 3 days

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented by applicant's lawyer for stamping.

Procedure: 11. Submit payment receipts to Ministry of Lands and obtain Governor's consent

Time: 61 days

Cost: No cost

Comments: Receipts for fees paid are submitted to the Director of Land.The Director, after going through the documents, makes a recommendation to the Commissioner of Lands. If the Commissioner is satisfied, he endorses his consent on behalf of the Governor. It takes 1 day to submit the receipts and 60 days to obtain consent.

Procedure: 12. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After the Commissioner gives consent, the applicant's lawyer follows up for the deed to be filed at the Land Registry.

REGISTERING PROPERTY

EDO, Benin City

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 12,000 (NGN 2,000 search fee + NGN 10,000 legal fee for search)

Comments: An application letter is addressed to the Lands Registry. The application letter must contain the registration particulars of the land in question. A lawyer is required to perform the registration of property. The essence of the search is to make sure the land is free from encumbrance.If satisfactory, the lawyer proceeds to prepare the deed of assignment.

Procedure: 2. Execute deed of assignment

Time: 2 days

Cost: NGN 773,168 (10% of the property value legal fees)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the Scale of Fees for Conveyancing Matters (Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991). The stipulated fee comes out to 10% of the value of consideration, but in practice most lawyers negotiate outside the provisions of the law. The legal fees cover the preparation of deed of assignment and subsequent registration of the title.

Procedure: 3. Pay consent application form fee at designated bank

Time: 1 day

Cost: NGN 5,000 (consent application form fee)

Comments: Before obtaining the consent application form the applicant has to pay NGN 5,000 at a designated bank. Upon payment, a teller receipt is issued to the applicant.

Procedure: 4. Obtain consent application form from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: Applicant takes the teller receipt to the Ministry of Lands and Housing to obtain consent form and fills it out.

Procedure: 5. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The present Governor does not delegate his power of consent, thus it takes longer to complete this procedure.The documents submitted include:

a. Completed consent application form;

b. Three copies of the deed of assignment;

c. Photocopy of title document;

d. Current tax clearance certificate of the buyer;

e. Evidence of the payment of up to date ground rent.

After the submission of all the above documents, the Ministry appoints an independent valuer to give an open market value of the property. It is the responsibility of the applicant to pay for the services of the independent valuer. Assessment of applicable fees is carried out on the property relying on the valuation report. No physical inspection is required.

Procedure: 6. Pay for valuation report from independent valuer

Time: 1 day

Cost: NGN 20,000

Comments: Applicant pays for the services of the independent valuer appointed by the Ministry of Land and Survey.

Procedure: 7. Obtain payment order from the Ministry of Lands and Housing

Time: 5 days

Cost: No cost

Comments: Applicant goes to the Ministry of Lands and Survey within 5 days of submitting the application to be informed of the applicable fees.

Procedure: 8. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 618,534 (8% of the open market value of the property)

Comments: Consent fee is assessed at 8% of the open market value of the property. The open market value is the estimated value of the property as determined by the Ministry of Lands and Survey through the independent valuer. Payment is made at a designated bank and teller receipt is issued.

Procedure: 9. Submit receipt of payment to Ministry of Lands and obtain Governor's consent

Time: 46 days

Cost: No cost

Comments: The receipt for the payment of consent fee is submitted to the Ministry of Lands and Survey. The applicant's file then moves up the office desks till it gets to the Governor for approval. It usually takes the Governor 45 days to give consent.

Procedure: 10. Receive payment order for capital gains tax and stamp duty from Board of Internal Revenue

Time: 1 day

Cost: No cost

Comments: After the Governor gives consent, the applicant's file is forwarded to the Board of Internal Revenue office for assessment of capital gains tax and stamp duty. In Edo State, capital gains tax is calculated at 5% of the value of property and stamp duty is calculated at 4% of the value of the property.

Procedure: 11. Obtain bank draft for payment of capital gains tax and stamp duty from a designated bank

Time: 1 day

Cost: NGN 210 (bank fee)

Comments: Applicant has to obtain bank draft from a private bank for a fee of NGN 210.

Procedure: 12. Pay capital gains tax and stamp duty at Accounts Office of Board of Internal Revenue

Time: 1 day

Cost: NGN 695,851 (5% of the property value capital gains tax + 4% of the property value stamp duty)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty and capital gains tax. Payment is by bank draft payable to any of the designated receiving banks.

Procedure: 13. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented for stamping at the Stamp Duty Office.

Procedure: 14. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 5,000

Comments: Payment of registration fee is made at a designated bank and teller receipt is issued.

Procedure: 15. Registration of deed at Lands Registry

Time: 5 days

Cost: No cost

Comments: After payment of the registration fee, the buyer's lawyer then follows up for the deed to be registered in the Lands Registry, to make it a perfected legal document. Registration only takes place after confirmation that capital gains tax and stamp duty have been paid.

REGISTERING PROPERTY

EKITI, Ado-Ekiti

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 10,000 (NGN 10,000 search fee)

Comments: A search fee must be paid in advance at a designated bank.

Procedure: 2. Conduct search on property files at Lands Registry

Time: 2 days

Cost: NGN 10,000 (NGN 10,000 legal fee for search)

Comments: An application letter is addressed to the Lands Registry. The application letter must contain the registration particulars of the land in question. A lawyer is required to perform the registration of property. Legal fees are regulated by the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. In practice, lawyers negotiate their legal fees outside the provisions of the law.

Procedure: 3. Pay consent application form fee at a designated bank

Time: 1 day

Cost: NGN 1,000 (NGN 1,000 consent application form fee)

Comments: Before obtaining the consent application form, the applicant has to pay the consent form fee at a designated bank. A receipt will be issued to the applicant.

Procedure: 4. Obtain consent application form from Lands Registry

Time: 1 day

Cost: No cost

Comments: After the payment of the consent application form fee the receipt is taken to the Lands Registry to obtain consent form.

Procedure: 5. Execute deed of assignment and consent application form

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: The seller and buyer complete and sign the consent application form and four (4) copies of the deed of assignment. Lawyers typically charge 10% of the value of consideration as legal fees for preparing the deed and its subsequent registration. In practice however, the fees are negotiable.

Procedure: 6. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Ekiti, the Governor for ease of administration delegates his power of consent to the Commissioner, Ministry of Lands and Housing.The documents required include:

a. Completed consent application form;
b. Four copies of the deed of assignment;
c. Copy of the approved building plan;
d. Copy of the title document of the seller;
e. Current tax clearance certificate of the seller and buyer;
f. For limited liability companies, the Internal Revenue Certificate of PAYE for their staff.

After the submission of all the above documents a file is opened and the processing of the file starts.

Procedure: 7. Receive inspection and evaluation from Ministry of Lands and Housing

Time: 7 days

Cost: No cost

Comments: An inspection of the property will be conducted by an officer, who prepares an evaluation report to the Ministry of Lands and Housing.An ascribed value is then given to the property, on the basis of which the consent fee is calculated.

Procedure: 8. Pick up payment order from Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer has to pick up a payment order from the Ministry that specifies the amount that has to be paid as consent fee.

Procedure: 9. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 1,159,752 (15% of the property value)

Comments: Consent fee is calculated at 15% of the value of the property as assigned after the inspection. Payment is made at a designated bank, after which a receipt is obtained.

Procedure: 10. Submit receipt of payment of consent fee to Lands Registry

Time: 31 days

Cost: No cost

Comments: The receipt of payment of consent fee is presented to the Lands Registry as evidence of payment, and a copy is kept in the applicant's file.The Lands Registry then continues with several internal procedures to finalize Governor's consent. It usually takes the Commissioner at the Ministry of Lands and Housing about 30 days to give consent.

Procedure: 11. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After the Commissioner signs off on the transfer of property, the applicant takes the deed of assignment to the Stamp Duty Office for assessment. The Stamp Duty Office typically uses the value of property indicated by the Lands Registry to assess stamp duty.

Procedure: 12. Pay stamp duty at a designated bank

Time: 2 days

Cost: NGN 231,950 (3% of the property value)

Comments: The buyer's lawyer must go to a designated bank to pay the stamp duty. After payment, a receipt is issued. It takes 2 days for the payment to go through.

Procedure: 13. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deeds are presented by the buyer's lawyer for stamping at the Stamp Duty Office. Stamping takes place only after the Registry receives confirmation of payment.

Procedure: 14. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 1,000

Comments: Payment is made at a designated bank and a receipt is issued.

Procedure: 15. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After payment of the registration fee, buyer's lawyer then has the deed registered in the Lands Registry to make it a perfected legal document.

REGISTERING PROPERTY

ENUGU, Enugu

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 5,000

Comments: A search fee must be paid in advance at a designated bank. The search fee was increased in 2008 from NGN 500 to NGN 5,000.

Procedure: 2. Conduct a search of property title at Lands Registry

Time: 1 day

Cost: No cost

Comments: The purpose of the search is to determine whether the property is clean from encumbrances. The applicant should submit a request for search, which should contain: name of property owner, location of property, purpose of the search, property file number.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: NGN 579,876 (7.5% of the property value legal fee)

Comments: The seller and buyer sign the deed of assignment. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. The fee is negotiable and the average is around 7.5% of the consideration. This fee covers all the steps required until the new title is registered under the buyer's name.

Procedure: 4. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The Governor for ease of administration delegates his power of consent to the Commissioner of Lands and Survey. The application for consent is in the form of a letter to which the deed of assignment is attached. The letter is addressed to the Commissioner of Lands and Housing. The application should be accompanied by the following documents:

a. Tax clearance for both companies;

b. Articles of incorporation for both companies;

c. Evidence of ground rate paid up to date.

Procedure: 5. Receive a valuation inspection from an officer of the Ministry of Lands

Time: 7 days

Cost: No cost

Comments: A valuation officer from the Ministry of Lands inspects the property and prepares a valuation report. The purpose of the valuation is to determine the market value of the property, based on which the consent fee will be assessed.

Procedure: 6. Pick up a demand order for payment of fees from Lands Registry

Time: 1 day

Cost: No cost

Comments: Following the valuation of the property, the applicant picks up the order for payment of all administrative fees.

Procedure: 7. Pay fees at designated banks

Time: 1 day

Cost: NGN 129,317 (NGN 20,000 for registration + 30,000 for inspection + 2,000 for computer levy + 1% of the property value for consent)

Comments: The fees were increased in 2008.

Procedure: 8. Assessment of stamp duty and capital gains tax at Federal Inland Revenue Service

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for assessment of stamp duty and capital gains tax at the Federal Inland Revenue Service. The Federal Inland Revenue Service uses the value of property indicated by the Lands Registry in their valuation, so the demand notice for payment can be picked up at the same time. Capital gains tax is calculated as 10% of the gain. The federal Capital Gains Tax Act was not enforced in Enugu till June 2008.

Procedure: 9. Pay stamp duty and capital gains tax at a designated bank

Time: 3 days

Cost: NGN 154,634 (2% of the property value stamp duty; capital gains tax is also paid, but not included in the calculation)

Comments: The buyer or the lawyer must go to a designated bank to pay the stamp duty. Payment is by bank draft payable at any of the designated receiving banks. It takes a few days for the Stamp Duty Office to receive the confirmation of payment. Ad valorem stamp duties for property assignment between companies are 2% and are federal taxes.

Procedure: 10. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office.

Procedure: 11. Submit receipts of payment of fees and obtain Governor's consent to assignment

Time: 30 days

Cost: No cost

Comments: Since the power to grant consent has been delegated to the Commissioner of Lands, the time it takes to receive consent has been reduced by 30 days.

Procedure: 12. Registration of deed at Lands Registry

Time: 25 days

Cost: No cost

Comments: After consent is granted, the buyer's lawyer submits the deed and the receipt of payment of registration fee to be filed at the Lands Registry.

REGISTERING PROPERTY

FEDERAL CAPITAL TERRITORY, Abuja

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 20,000

Comments: The search fee was increased from NGN 10,000 to NGN 20,000 in August 2009.

Procedure: 2. Conduct search of property files at AGIS (Abuja Geographic Information System)

Time: 1 day

Cost: NGN 309,267 (4% of the property value legal fee)

Comments: The lawyer representing the parties fills out and submits a letter, which states the purpose of the search. The search request has to be accompanies by the proof of payment of search fee and photocopy of the title document. The land officer conducts the search, but the file itself is not available for the lawyer to review. The search was computerized in 2007. The official Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991] prescribes legal fees as follows: NGN 7,500-10,000 + 7.5% of values above NGN 20,000 if acting for the buyer (5% of values above NGN 20,000 if acting for the seller), but in practice, due to high competition amongst lawyers, the fees charged in Abuja are typically lower than those prescribed, and range between 3-5% of property value. These fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: No cost

Comments: Seller and buyer sign four copies of the deed of assignment. Only the seller is required to sign the application for consent.

Procedure: 4. Submit application for Minister's consent to the assignment at AGIS

Time: 22 days

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in the territory of each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Abuja, the ownership of land is vested in the President of the Republic, and has been delegated to the Minister for Federal Capital Territory of Abuja. The required documents include:

a. Application letter prepared by the lawyer;
b. Copy of the deed for which the consent is being sought;
c. Proof of settlement of outstanding ground rates;
d. Tax clearance certificate;
e. Letter of clearance of the title holder and the Board's resolution in case of a corporate body;
f. Memorandum and articles of association.

Procedure: 5*. Inspection and assessment of the property value by AGIS

Time: 4 days

Cost: No cost

Comments: A valuation officer from AGIS inspects the property and prepares a valuation report. The purpose of the valuation is to determine the market value of the property, based on which registration and stamp duty will be assessed.

Procedure: 6. Pick up the letter of conditional consent and demand notices for fee payments from AGIS

Time: 1 day

Cost: No cost

Comments: About 10 days after the valuation report is compiled, the Minister grants consent contingent on the payment of prescribed fees. The letter of consent will specify the assessed value of the property and will list all the fees. The letter allows the applicant 4 months for payment of the fees.

Procedure: 7. Pay fees at a designated bank

Time: 1 day

Cost: NGN 678,534 (NGN 55,000 consent fee + NGN 5,000 processing fee + 1.5% of the property value registration fee + 1.5% of the property value stamp duty + 5% of the property value capital gains tax)

Comments: Consent fee was increased from NGN 10,000 to NGN 55,000 in August 2009.

Procedure: 8. Submit proof of payment to AGIS and receive a payment receipt

Time: 1 day

Cost: No cost

Comments: Proof of payment of fees is submitted to AGIS and the application is forwarded to the Minister.

Procedure: 9. Obtain an official letter from the Minister granting final consent

Time: 20 days

Cost: No cost

Comments: After the payment receipts have been submitted, AGIS submits the deed of assignment for stamping at the Stamp Duty desk, after which the title is conferred and the stamped documents are released to the applicant. In Abuja there is a Stamp Duty Desk within AGIS, manned by staff of the Inland Revenue Service, to speed up the property registration process.

Procedure: 10. Registration of deed at AGIS

Time: 3 days

Cost: No cost

Comments: The buyer's lawyer submits the deed to be filed to the Lands Registry.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

GOMBE, Gombe

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search of property title at Ministry of Lands and Survey

Time: 1 day

Cost: NGN 750 (search fee)

Comments: A verbal application is made and the applicant presents photocopy of the Certificate of Occupancy, pays the NGN 750 search fee and makes the search there and then.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: NGN 80,000 (legal fee)

Comments: The parties execute or sign 3 copies of the deed of assignment. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. Generally, lawyers charge 5% of the value of consideration, but this can be negotiated down to an average of NGN 80,000.

Procedure: 3. Submit application for Governor's consent and pay consent processing fee at Ministry of Lands

Time: 1 day

Cost: NGN 3,000 (consent processing fee)

Comments: For the purpose of obtaining consent to the assignment, the Governor has delegated his power to the Commissioner of Lands. The procedure takes 5 days to complete. The documents required are:

a. Written application for consent to the Honorable Commissioner;
b. Three copies of the deed of assignment duly executed;
c. Report of the government valuer who valued the property and recommendations of the Land Officer;
d. Evidence of payment of NGN 3,000 consent processing fee;
e. Proof of being up-to-date in payment of ground rent.

Submitting the application takes 1 day and processing leading to approval by the Commissioner takes 4 days after all the documents have been submitted and payments have been made.

Procedure: 4. Receive valuation report from Lands Officer or government valuer

Time: 2 days

Cost: No cost

Comments: A land's officer or government valuer visit the property to ascertain its market value, then prepare a report and makes recommendations for the consideration and approval of the Honorable Commissioner.

Procedure: 5. Assessment and payment of registration fee at Lands Registry

Time: 5 days

Cost: NGN 193,292 (2.5% of the property value)

Comments: The applicant submits three copies of the executed deed for assessment of registration fees. Registration fee is assessed at 2.5% of the value of the property as determined by the valuer. This procedure can be performed in a day. However, in practice, delays occur due to the frequent absence of relevant officials and due to this the procedure might take up to 5 days to complete. The fee is paid at the Lands Registry.

Procedure: 6. Assessment of deed of assignment at Stamp Duty Office, payment of stamp duty and stamping the deed of assignment

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: These 3 activities are carried out in the same organization - the Federal Inland Revenue Service. The applicant pays the stamp duty and gets the deed stamped on the spot.

Procedure: 7. Submit receipts of payment of fees to Ministry of Lands and obtain Governor's consent

Time: 4 days

Cost: No cost

Comments: After all the fees have been paid, consent is issued within 4 days.

Procedure: 8. Registration of deed at Lands Registry

Time: 1 day

Cost: NGN 200 (registration fee)

Comments: A fee of NGN 200 is paid to register the deed of assignment. A copy of the deed is retained by the Lands Officer in the Land's Registry

REGISTERING PROPERTY

IMO, Owerri

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Pay search fee at Ministry of Finance

Time: 1 day

Cost: NGN 5,000 (search fee)

Comments: The applicant or lawyer pays the search fee at the Ministry of Finance and picks up a receipt.

Procedure: 2. Conduct a search of property files at Land Registry

Time: 3 days

Cost: NGN 10,000 (legal fee for search)

Comments: A lawyer makes a formal application for search on behalf of the applicant, attaching receipt of payment of the search fee. Lawyers usually charge NGN 10,000 as legal fee for performing this procedure.

Procedure: 3. Execute deed of assignment

Time: 5 days

Cost: NGN 773,168 (10% of the property value legal fees)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. The parties are required to complete and sign 5 copies of the deed of assignment. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. In practice, lawyers charge 10% of the value of consideration. This fee covers all steps required until the deed is registered under the new owner's name.

Procedure: 4. Submit application for Governor's consent at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state of the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. A formal application is made by the applicant to the Governor's office. The applicant must submit the following documents:

a. Application letter;

b. Copy of the existing title and certificate of occupancy;

c. Four copies of the deed of assignment;

d. Current tax clearances of the seller and buyer;

e. Certificate of incorporation for both companies.

Procedure: 5. Receive inspection and valuation of property

Time: 7 days

Cost: No cost

Comments: After the application for consent is received, the valuation unit from the Ministry of Lands inspects the property and prepares a valuation report. The purpose of the valuation is to determine the capital value of the property, based on which the consent fee will be assessed. The valuation can be completed in 7 days.

Procedure: 6. Obtain property valuation and pay assessed fees at Ministry of Lands

Time: 2 days

Cost: NGN 625,876 (NGN 6,000 site inspection fee + NGN 5,000 registration fee + NGN 5,000 preparation fee + NGN 5,000 approval fee + NGN 5,000 application fee + 7.5% of the property value consent fee)

Comments: The applicant goes back to the Ministry of Lands, Survey and Urban Planning to be informed of the results of the valuation and pick up the payment order. The applicant can pay the assessed fees on the spot at a bank branch located on the premises of the Ministry.

Procedure: 7. Pay stamp duty and stamping of the deed of assessment at Stamp Duty Office

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant takes the deed of assignment to the Stamp Duty Office for assessment, then pays the stamp duty at the cash office. The deed is then stamped. This procedure can be completed in 1 day.

Procedure: 8. Submit receipts of payment of fees to Ministry of Lands and obtain Governor's consent

Time: 120 days

Cost: No cost

Comments: The applicant submits the receipts for the payment of fees to the Ministry of Lands, Survey and Urban Planning. After reviewing the file, the Director makes a recommendation to the Commissioner of Lands. If the Commissioner is satisfied, he endorses the documents and sends it to the Governor for final consent.

Procedure: 9. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After the Governor's consent is granted, the deed is filed at the Land Registry. The applicant is required to show evidence of payment of registration fee.

REGISTERING PROPERTY

JIGAWA, Dutse

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 3 days

Cost: NGN 391,584 (NGN 5,000 search fee + 5% of the property value legal fees)

Comments: The usual practice is for a lawyer to be retained for the entire process of registering property starting from the search. The lawyer goes to the Lands Registry and pays the prescribed search fees in cash at the Registry and is issued with a receipt. Once the fees have been paid the search is carried out. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. In practice, however, the fees are negotiated and it Jigawa they average 5% of the value of property. The fee usually covers all steps required till the deed is registered under the new owner's name.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: No cost (paid in Procedure 1)

Comments: Seller and buyer sign the deed of assignment prepared by a lawyer.

Procedure: 3. Obtain application form for Governor's consent from Lands Registry

Time: 1 day

Cost: NGN 2,200

Comments: The lawyer goes to the Land Registry and obtains a form for Governor's consent. The consent form costs NGN 2, 200 and payment is made in cash at the Land Registry.

Procedure: 4. Fill out and submit application for Governor's consent

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Jigawa the power to grant consent has been delegated to the Commissioner for Lands. Documents that should be submitted together with the application form for consent include:

a. Tax clearance certificate for both seller and buyer's companies for the past 3 years;
b. Evidence of payment of all outstanding ground rent;
c. Photocopy of the title document, articles, memorandum of association and incorporation documents of buyer's company.

Procedure: 5. Receive site inspection from Ministry of Lands

Time: 2 days

Cost: No cost

Comments: As part of the process of assessing the application for consent a valuer from the land registry is required to visit the site and prepare a valuation report. Based on the assessed value of the property all applicable fees will be calculated. The usual practice is for the lawyer to pay unofficial fees to transport the valuer to the site and to actively follow up on the process until the report is prepared and submitted.

Procedure: 6. Collect provisional letter of approval/consent and payment orders from Lands Registry

Time: 14 days

Cost: No cost

Comments: The letter usually states that the Governor's consent is conditional upon the payment of the registration fee and stamp duty.

Procedure: 7. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office typically uses the figure as indicated by the Lands Registry in their assessment of the value of the property, so basically this is a formality and one picks up the demand notice for payment at the same time.

Procedure: 8. Pay stamp duty at a designated bank

Time: 2 days

Cost: NGN 154,634 (2% of the property value)

Comments: The applicant or his lawyer pays the stamp duty at a designated bank.

Procedure: 9. Stamping the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office (agency of Inland Revenue Services).

Procedure: 10. Obtain bank draft for registration fee from a designated bank

Time: 1 day

Cost: NGN 200 (cost of bank draft)

Comments: The applicant obtains a bank manager's check for payment.

Procedure: 11. Registration of deed at Lands Registry

Time: 1 day

Cost: NGN 309,267 (4% of the property value registration fee)

Comments: The lawyer is required to submit the bank draft for the registration fee (issued in favour of the Ministry of Lands) to the cashier at the Ministry. After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed in the Lands Registry.

REGISTERING PROPERTY

KADUNA, Kaduna

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 2 days

Cost: NGN 584,876 (NGN 5,000 search fee + 7.5% of the property value legal fees)

Comments: A lawyer representing the parties fills out and submits a letter, which states the purpose of the search, the name of owner and certificate of occupancy number. The Ministry replies confirming the authenticity and status of the title, and the existence of encumbrances, if any. The search fee is paid at the Lands Registry. A lawyer is required by law to perform the registration of property. Legal fees should be charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991], but in practice fees are negotiable. In Kaduna, lawyers typically charge around 5% of the value of consideration. The fees will include all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Obtain application for consent form (Land Form 6) from Ministry of Lands

Time: 1 day

Cost: NGN 3,500 (application for consent form fee)

Comments: The application form is a standardized form that can be obtained from the Account Section at the Lands Registry. Form Land 6 is the application form to request later the Governor's consent to the transaction (required by Nigerian law). The fees for the form vary depending on the location of property: NGN 3,500 in light industrial areas and NGN 5,000 in heavy industrial areas. Fee is payable on the spot.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: No cost

Comments: Seller and buyer sign four copies of the deed of assignment and the application for consent.

Procedure: 4. Submit application for consent form (Land Form 6) and deed of assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in the territory of each state is vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The following documents should be submitted to apply for consent to the assignment:

a. Completed application form;
b. Three copies of the deed of assignment;
c. Current tax clearance for both the assignor and assignee;
d. Evidence of payment of ground rates;
e. Copy of business certificate and of memorandum and articles of association.

Procedure: 5. Receive an inspection of the property from Ministry of Lands

Time: 32 days

Cost: No cost

Comments: There is no standard method of accessing property value in Kaduna. Upon submission of the application for consent, the Valuation Section of the Lands Registry inspects and values the property to determine its value. The valuation invariably involves an inspection of the property. Upon completion of inspection, a valuation report is issued, based on which registration fee is assessed. Waiting time for an inspection is about 1 month and preparation of the valuation report takes 2 days.

Procedure: 6. Pick up letter of conveyance and demand notices for payment of fees from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: Following the valuation of the property, the registration fee is assessed, the application for consent processed, and the applicant picks up the letter of conveyance and the payment orders. The letter of conveyance is a letter informing the applicant that his application has been approved subject to payment of fees.

Procedure: 7. Pay prescribed fees at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value registration fee)

Comments: The applicant or the lawyer proceeds to the designated bank to pay the registration fee.

Procedure: 8. Assessment of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office typically uses the figure indicated by the Lands Registry in their assessment to calculate the stamp duty, so one picks up the demand notice for payment at the same time.

Procedure: 9. Pay stamp duty at a designated bank

Time: 2 days

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is by bank draft payable to any of the designated receiving banks. It takes several days for the payment to go through.

Procedure: 10. Stamping of the deed of assignment at Board of Inland Revenue

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at Stamp Duty Office. Stamping takes place only after Stamp Duty Office receives confirmation of receipt of payment.

Procedure: 11. Submit payment receipts to Ministry of Lands and obtain Governor's consent

Time: 77 days

Cost: No cost

Comments: After submitting proof that all fees have been paid, the applicant is issued final consent from the Governor.

Procedure: 12. Registration of deed at Lands Registry

Time: 10 days

Cost: No cost

Comments: Upon submission of proof of payment of all applicable fees, a lands officer is assigned to enter the deed into the Land Registry records.

REGISTERING PROPERTY

KANO, Kano

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry at the Ministry of Lands and Physical Planning

Time: 7 days

Cost: NGN 291,938 (NGN 2,000 search fee + 3.75% of the property value legal fees)

Comments: The lawyer representing the parties fills out and submits a letter, which states the purpose of the search. The search fee is paid in cash at the Ministry. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. This is a sliding scale based on slices of the consideration involved, and averages out at about 7.5% of the consideration. In practice, due to competition amongst lawyers, the fees charged for property assignment in Kano are lower than those prescribed and amount to approximately 3.75% of property value. The fees will include all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Obtain Application for Consent form from Ministry of Lands

Time: 1 day

Cost: NGN 300

Comments: The form can be obtained from the Account Section of the Lands Services Department. The fee is paid in cash on the spot. This is the application form to request later the Governor's consent to the transaction (required by Nigerian law).

Procedure: 3. Execute deed of assignment and Application for Consent form

Time: 1 day

Cost: No cost (paid in Procedure 1)

Comments: Seller and buyer sign four (4) copies of the deed of assignment and the Application for Consent from.

Procedure: 4. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 14 days

Cost: NGN 3,000 (processing fee)

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in territory of each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Kano, the authority to grant the consent has been delegated by the Governor to the Commissioner for Lands, who delegated it further to the Permanent Secretary for Lands. This, combined with other land transaction reforms that Kano started implementing in June 2009, decreased the time needed to obtain the Governor's consent from 20 days to 14 days. In order to obtain such consent, the following documents must be submitted:

a. Copy of the deed of which consent is sought.
b. Proof of settlement of outstanding ground rates;
c. Letter of clearance of the title holder and board's resolution in case of a corporate body;
d. Three years tax clearance certificates of the seller and buyer;
e. Registration particulars and articles of association of the company.

Procedure: 5*. Receive inspection of the property from Ministry of Lands

Time: 3 days

Cost: No cost

Comments: There is no standard method of accessing property value in Kano. The valuation includes a physical inspection of the property to assess its market value. Upon completion of valuation, a valuation report is issued, based on which registration fees are assessed. The inspection takes 1 day and preparation of valuation report takes 2 days.

Procedure: 6. Collect letter of consent and notice of demand of fees from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The applicant receives a letter of consent, which is conditional on payment of the prescribed fees. The registration must be conducted within 3 months since the consent has been granted.

Procedure: 7. Pay prescribed fees at bank on premises of Ministry of Lands

Time: 1 day

Cost: NGN 386,584 (5% of the property value registration fee)

Comments: The buyer or the lawyer pays the prescribed fees at the bank on the premises of the Accounts section at the Ministry.

Procedure: 8. Assessment of deed of assignment at the Stamp Duty Office, Federal Board of Inland Revenue

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for assessment of stamp duty at Stamp Duty Office. The Stamp Duty Office typically uses the figure as indicated by the Lands Registry in their assessment of the fees, so basically this is a formality and one picks up the demand notice for payment at the same time.

Procedure: 9. Pay stamp duty at a designated bank

Time: 3 days

Cost: NGN 154,634 (2% of the property value)

Comments: The applicant or the lawyer goes to a designated bank to pay the stamp duty. Payment is by bank draft payable to any of the designated receiving banks. It takes several days for the Stamp Duty Office to receive the confirmation of payment. Ad valorem stamp duties for property assignment between companies are 2%. The rates are set by Joint Tax Board, Harmonization of Stamp Duty Rates and Items, as published on 1st July 2002.

Procedure: 10. Stamping the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at Stamp Duty Office.

Procedure: 11. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost

Comments: Buyer's lawyer submits payment receipts to the Schedule Officer at Lands Registry, who in turn enters the deed into the Lands Registry records.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

KATSINA, Katsina

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 2 days

Cost: NGN 1,000

Comments: The lawyer representing the applicant usually submits a letter to the Director of Lands, attaching a photocopy of the title documents and receipt of payment of search fee. The search fee can be paid to the cashier at the Lands Registry.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: NGN 386,584 (5% of the property value legal fee)

Comments: Seller and buyer sign the deed of assignment prepared by a lawyer. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. In practice, however, the fees are negotiated and in Katsina they average 5% of the value of property. The fee usually covers all steps required till the deed is registered under the new owner's name.

Procedure: 3. Obtain application Land Form 1C from Lands Registry

Time: 1 day

Cost: NGN 500

Comments: One can obtain the application from the Lands Registry. Form 1C is the application form to request later the Governor's consent to the transaction (required by Nigerian law).

Procedure: 4. Fill out and submit application for Governor's consent

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Katsina the power to grant consent has been delegated to the Commissioner for Lands. The applicant/title holder signs the application form personally. The application will not be processed if his signature does not correspond to that in the land file. The following documents should be submitted with the application for consent:

a. Proof of settlement of outstanding ground rent;
b. Photocopy of title document;
c. Three years tax clearance certificates of the seller and buyer's companies;
d. Registration particulars and articles of association and incorporation of the buyer's company.

Procedure: 5. Receive site inspection from Ministry of Lands

Time: 2 days

Cost: No cost

Comments: Inspection is performed to assess the value of the property based on which fees will be calculated.

Procedure: 6. Obtain Governor's conditional approval/consent

Time: 21 days

Cost: No cost

Comments: The applicant or his lawyer collects a letter granting the Governor's consent conditional on the payment of the registration fee and stamp duty.

Procedure: 7. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office typically uses the figure as indicated by the Lands Registry in their assessment of fees, so basically this is a formality and one picks up the demand notice for payment at the same time.

Procedure: 8. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: Since this is a federal level tax, the applicant or his lawyer pay the stamp duty at a designated bank instead of the Stamp Duty Office.

Procedure: 9. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office (agency of Inland Revenue Services).

Procedure: 10. Obtain bank manager's check for payment of registration fee from a designated bank

Time: 1 day

Cost: NGN 232,200 (3% of the property value + NGN 250 bank manager's check fee)

Comments: The applicant obtains a bank manager's check that would be submitted to the cashier at the Ministry of Lands.

Procedure: 11. Registration of deed and payment of registration fee at Lands Registry

Time: 1 day

Cost: No cost

Comments: The registration fee is usually paid by submission of a bank manager's check (issued in favor of the Ministry of Lands) to the cashier at the Ministry. After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed to the Lands Registry.

REGISTERING PROPERTY

KEBBI, Birnin Kebbi

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct search of property files at Land Registry

Time: 1 day

Cost: NGN 200 (search fee)

Comments: The applicant is required to make a written application to the Lands Registry and pay the standard search fee, after which the search can be conducted. The purpose of the search is to determine whether there are any encumbrances associated with the property. There is no requirement for this procedure to be carried out by a lawyer.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: NGN 541,218 (7% of the property value legal fee)

Comments: Legal fees are determined on the basis of the Official Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. The practice, however, is for the lawyer and client to negotiate a single fee for the whole process. This fee is usually between 4% to 10% of the value of the property. The fee includes all the steps required until the new title is registered under the buyer's name.

Procedure: 3. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: NGN 200 (processing fee)

Comments: Once the search is completed and the deed of assignment has been executed, the applicant is required to make a written application to the Governor through the Commissioner for Lands and Housing for the Governor's consent to the assignment. The application is accompanied by a copy of the certificate of occupancy and deed of assignment, and a NGN 200 processing fee, which is paid in cash at the ministry. The ministry then conducts a search of their records to ensure that there is no outstanding ground rent on the property before passing the documents on to their Valuation Department to evaluate the property and determine registration fees due. The evaluation process involves a visit to the property by the Ministry's evaluation team. Once the value has been determined, the applicant will be required to pay 2% of the determined value as registration fee. Once this payment is made in cash at the Ministry of Lands, the application is forwarded to the Governor for his approval. The process of obtaining Governor's consent can take anything from 6 months to 1 year, depending on the Governor's schedule.

Procedure: 4. Receive inspection from Ministry of Lands

Time: 7 days

Cost: No cost

Comments: The on-site visit to the property is usually conducted within a week of the application being submitted, however, it is necessary for the applicant to follow up with the Ministry of Lands to ensure that the visit and valuation are done quickly.

Procedure: 5. Pay registration fee at Ministry of Lands and obtain Governor's consent

Time: 180 days

Cost: NGN 154,634 (2% of the property value)

Comments: The registration fee is paid in cash at the Ministry of Lands and Housing and a receipt is issued. Once payment is received by the ministry the application is then forwarded to the Governor for his approval.

Procedure: 6. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: Once the Governor's consent is granted, a letter of conveyance is issued and the applicant is instructed to present this letter and the deed of assignment at the Stamp Duty office for assessment of duties and stamping.

Procedure: 7. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: After the deed of assignment is assessed, the applicant is required to go to a designated bank to pay the stamp duty. Payment is by bank draft at any of the designated receiving banks.

Procedure: 8. Stamping of the deed of assignment at Stamp Duty Office

Time: 2 days

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office. Stamping takes place only after the Stamp Duty Office receives confirmation of payment from the designated bank.

Procedure: 9. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost

Comments: A copy of the stamped deed of assignment is returned to the Ministry of Lands and Housing and is then registered.

REGISTERING PROPERTY

KOGI, Lokoja

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 2,500

Comments: Before the search of property files can be performed, the applicant must pay the search fee at a designated bank.

Procedure: 2. Conduct search of property files at Lands Registry

Time: 2 days

Cost: No cost

Comments: The applicant is required to go to the Ministry of Environment and Physical Development with a bank teller for NGN 2,500, having paid the amount into one of the designated banks. There is no requirement for sworn declaration of the status of the property or purpose of the search, but the applicant will be required to state in the search form the transferor's name, property file number, and plot number. If a lawyer is retained for the search, which is not compulsory, but common practice, the fees for the lawyer would range from 5% to 10% of the consideration.

Procedure: 3. Obtain a valuation report from an independent valuer

Time: 2 days

Cost: NGN 50,000

Comments: The applicant is required to obtain a valuation report for the property from a certified valuer.

Procedure: 4. Execute deed of assignment

Time: 1 day

Cost: NGN 386,584 (5% of the property value)

Comments: The seller and buyer, along with their respective witnesses, sign the deed of assignment prepared by a lawyer. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. Generally, lawyers charge 5% of the value of consideration, but do negotiate fees outside the provisions of the law. The fee includes all the steps required until the new title is registered under the buyer's name.

Procedure: 5. Submit application for Governor's consent to Ministry of Environment and Physical Planning

Time: 24 days

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Lokoja, the power to grant consent is delegated to the Honorable Commissioner for Environment and Physical Development, and as a result the applicant is required to obtain and fill out a consent form and make an application to the Honorable Commissioner asking for the Governor's approval to the transfer of property. The seller is required to provide a valuation report from a certified valuer, based on which the consent fee will be determined. The seller would be required to pay all outstanding bills on the property, including ground rents, and to pay the consent fee of 4% of the value of the property. The consent fee together with the application form and consent form are paid at a designated bank and a teller is presented as proof at the Ministry. It takes an average of 24 days to receive the consent.

Procedure: 6*. Pay fees at a designated bank

Time: 1 day

Cost: NGN 312,767 (4% of the property value consent fee + NGN 2,000 application form fee + NGN 1,500 consent form fee)

Comments: The applicant pays the fees at a bank and submits proof of payment to the Ministry of Environment & Physical Development.

Procedure: 7. Assessment and stamping of deed of assignment at Board of Inland Revenue

Time: 1 day

Cost: NGN 231,950 (3% of the property value stamp duty)

Comments: The applicant is required to go to the Board of Internal Revenue (BIR) and pay the stamp duty in cash or present evidence of payment in designated bank depending on the amount. After the payment is made, the duly executed deed of assignment is presented at BIR for stamping. The fee is fixed at 3% of the value of the property. The Federal Inland Revenue Service handles the stamping of the deed of assignment of corporate bodies. The exercise takes 1 day.

Procedure: 8. Pay registration fees at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value registration fee)

Comments: The registration fee is paid at a designated bank.

Procedure: 9. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost

Comments: The applicant is required to submit proof of payment of registration fee to the Ministry of Environment & Physical Development. Once the deed has been approved and duly stamped, it is expected to be submitted for registration within 4 months. Non compliance attracts a flat penalty of NGN 5,000.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

KWARA, Ilorin

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 775,668 (NGN 2,500 search fee + 10% of the property value legal fees)

Comments: A lawyer representing the applicant fills out and submits application to the Director of Lands. The lawyer is usually required to bring a letter of authority from the landowner. A lawyer is generally used to perform the registration of property. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. This is a sliding scale, and averages out at about 10% of the consideration. The fees include all the steps required until the new title is registered under the buyer's name. The search fee was increased from NGN 500 to NGN 2,500 effective March 1, 2009. The fee is payable at cost points located within the Ministry of Lands premises.

Procedure: 2. Obtain Land Application Form from Ministry of Lands

Time: 1 day

Cost: NGN 5,000

Comments: The applicant pays the application fee and picks up the application form.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: No cost (paid in Procedure 1)

Comments: The deed is executed privately by seller and buyer and application forms are signed in triplicate by both parties.

Procedure: 4. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. Incomplete applications are not accepted. New procedures and documentation requirements have been widely published. Obtaining the Governor's consent requires the submission of the following documents:

a. Covering letter with address and telephone number of applicant;
b. Current tax clearance certificates of seller and buyer and, for limited liability companies, the Internal Revenue Certificate of PAYE for its staff;
c. Four copies of the deed of which consent is sought;
d. Evidence of payment of consent, administrative and registration fees;
e. Where the property is covered by a state leasehold or certificate of occupancy, evidence of payment of ground rent up to date.

It takes 1 day to submit the documents and 60 days to receive consent.

Procedure: 5. Receive site inspection from Ministry of Lands

Time: 3 days

Cost: No cost

Comments: Inspection is performed to assess the value of the property based on which fees will be calculated.

Procedure: 6. Pay fees and obtain Governor's consent at Ministry of Lands

Time: 62 days

Cost: NGN 595,339 (5% of the property value consent/approval fee + 2% of the property value registration fee + 10% of all charges administrative fee)

Comments: The consent, registration, and administrative fees are paid at a cost point located within the Ministry. It takes 2 days to pay the fees and 60 days to obtain Governor's consent to the assignment.

Procedure: 7. Assessment of deed of assignment, payment of stamp duty and stamping of deed at Stamp Duty Office

Time: 6 days

Cost: NGN 236,950 (3% of the property value stamp duty + NGN 5,000 transportation expenses)

Comments: The assessment, payment and stamping of the deed of assignment can be done in the same office. However, since there is no Stamp Duty Office in Ilorin, applicants have to travel to Ibadan or Abuja to have the deed stamped.

Procedure: 8. Registration of deed at Lands Registry

Time: 3 days

Cost: No cost

Comments: After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed to the Lands Registry. The receipt and paying-in slips evidencing payment are given to the cashier at the Lands Registry, who in turn issues a receipt. With proof of payment, a lands officer is assigned to enter the deed into the Registry records.

REGISTERING PROPERTY

LAGOS, Lagos

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct a property title search at Lands Registry

Time: 1 day

Cost: NGN 590,686 NGN 3,750 (search at Registry) + Legal fees as follows: NGN 7,500–10,000 + 7.5% of values above NGN 20,000 if acting for the buyer (5% of values above NGN 20,000 if acting for the seller)

Comments: The application letter to conduct the search is accompanied by a sworn declaration of the status of the party and purpose of search. A lawyer is generally used to perform the registration of property. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. This is a sliding scale, and averages out at about 7.5% of the consideration. The fees include all the steps required until the new title is registered under the buyer's name. The primary objective at this stage is to ascertain that the vendor has a good root of title. A good root of title in this context means the following: that the vendor is the rightful owner of the land, that the land is free from any encumbrance or pending litigation, that the land is not the subject of any Government acquisition, that the land is not subject to any of the overriding interests in land (e.g. short leases, easements, licenses, road or right of way).

Procedure: 2. Obtain application Land Form 1C from Lands Registry

Time: 1 day

Cost: No cost

Comments: One can obtain the application from the consent section of Lands Services Department. Form 1C is the application form to request later the Governor's consent to the transaction required by Nigerian law. The Form 1C must be dated and signed by the parties to the transaction and sworn to before a magistrate or notary public.

Procedure: 3. Obtain Certified True Copy (CTC) of title document from Lands Registry

Time: 2 days

Cost: NGN 5,625

Comments: The assignor (seller)/assignee (buyer) issues a letter of authority to the Registrar of Titles, authorizing the lawyer to apply for and obtain CTC of title document, required for Governor's Consent. It takes a minimum of 2 days to obtain certified copies of title documents as the lawyer should also present an affidavit to that effect.

Procedure: 4. Obtain a survey plan from Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Parties obtain a copy of the survey plan as approved by the Town Planning Authority, which is required for the Governor's consent.

Procedure: 5. Execute deed of assignment and Land Form 1C

Time: 1 day

Cost: No cost

Comments: The assignor and assignee complete and sign Land Form 1C and four (4) copies of the deed of assignment.

Procedure: 6. Pay charting fee, administrative fees, endorsement fee at a designated bank

Time: 1 day

Cost: NGN 12,000 Charting Fees (NGN 7500) + Administrative fees (NGN 3000) and Endorsement Fees (NGN 1500)

Capital gains tax of 2% is also paid, but are not included in the calculation

Comments: A charting fee of NGN 7,500 and administrative fees of NGN 3,000 and the endorsement fee of NGN 1,500 are paid to the designated banks. A receipt is issued, together with the paying-in slip to the designated bank. A bank draft made payable to Lagos State Government. This procedure is required for Governor's consent.

Procedure: 7. Submit application for Governor's consent to the assignment to Directorate of Land Services

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, who's prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In August 2005, the Governor's consent procedure underwent major reform, with the aim that consent should be granted within 30 days following submission of a duly completed application. Incomplete applications are not accepted. New procedures and documentation requirements have been widely published. Obtaining the Governor's consent require the following documentation: covering letter with address and telephone numbers; completed form 1C; Certified True Copy (CTC) of title document of assignor; current tax clearance certificates of the assignor and assignee; for limited liability companies, the internal revenue certificate of PAYE for its staff and current tax clearance certificate for the directors; four (4) copies of the deed of which consent is sought should be attached; copy of the survey plan, as approved by the Town Planning Authority and a picture of the building; evidence of payment for charting fee, endorsement fee, Form 1C (admin fees), consent fee, stamp duty, capital gains tax and registration fee; evidence of payment of land use charge; where the property is covered by a state leasehold or certificate of occupancy, evidence of payment of ground rent, up to date.

Procedure: 8. Obtain notice of stamp duty, registration fees, consent fees, neighborhood improvement charge from Land Registry

Time: 7 days

Cost: No cost

Comments: After investigation and assessment of the true value of the property, the applicant will be informed of the amount for the registration fee, the consent fee, stamp duty, capital gains tax, which should be paid at the designated bank.

Procedure: 9. Pay stamp duty, registration fees, consent fees, neighborhood improvement charge at a designated bank

Time: 1 day

Cost: NGN 1,005,118 8% Consent Fee + 3% of the property value registration fee + 2% of the property value stamp duty (Capital gains tax of 2% is also paid, but are not included in the calculation).

Comments: The applicant pays the remaining fees at the designated bank by means of certified checks: 8% consent fee + 3% of property value for the registration fee + 2% of property value for the stamp duty (capital gains tax of 2% is also paid). Receipts are provided to the applicant, who will make copies of those receipts before submitting to the Land Registry.

If land directly allocated to the seller by the government is resold within 10 years of its initial allocation, then a penalty consent fee of 16% of the value is charged (to deter land speculation).

Procedure: 10. Submit receipts of payment of registration fees, consent fees, neighborhood improvement charge, stamp duty to Lands Registry

Time: 61 days

Cost: No cost

Comments: The receipts obtained from the bank are submitted as proof of payment to the Land Registry. These receipts are internally forwarded to the Account Department for reconciliation. The lawyer retains copies of the deposit/payment slip is retained for his records. The Land Registry manually confirms these payments to the relevant departments. Once payment is confirmed by the Accounts Department, the Land Services Department sends the file directly to the office of the Honorable Attorney General of the State.

Procedure: 11. Obtain file from Land Services Department

Time: 1 day

Cost: No cost

Comments: The applicant will make follow-up calls or visit personally the Land Registry to follow-up on the progress of the file. The Honorable Attorney General grants consent on behalf of the Governor by signing on the deed of transfer. The lawyer will then transmit this file to the Stamp Duty Office for stamping.

Procedure: 12. Stamping of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by assignor's lawyer for stamping at the Stamp Duty Office (agency of Inland Revenue Services).

Procedure: 13. Registration of deed at Lands Registry

Time: 3 days

Cost: No cost

Comments: The lawyer will then follow up on the deed to be filed to the Lands Registry. The receipt and paying-in slips evidencing payment are given to the cashier at the Lands Registry.

With proof of payment, a lands officer is assigned to enter the deed into the Registry records.

REGISTERING PROPERTY

NASARAWA, Lafia

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 500

Comments: The applicant writes an application letter addressed to the Commissioner for Lands requesting permission to conduct a search, and submits the letters with proof of payment of the NGN 500 application fee. The fee is paid at the Ministry of Lands. Once approval is granted the property files are released to the applicant to conduct the search.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: The seller and buyer sign the deed of assignment prepared by a lawyer. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. In Nasarawa state, legal fees for registering property average 10% of the value of the property. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 3. Assessment of deed of assignment at Land Registry

Time: 1 day

Cost: No cost

Comments: The deed is submitted to the Lands Registry for assessment of registration and consent fees.

Procedure: 4. Receive site inspection from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The site is inspected by Ministry of Lands officials to determine the value of the property based on which the fees will be calculated.

Procedure: 5. Pay consent fee, site inspection fee and registration fee at a designated bank

Time: 1 day

Cost: NGN 234,050 (NGN 2,000 consent fee + NGN 100 site inspection fee + 3% of the property value registration fee)

Comments: Consent, site inspection and registration fees are paid at a designated bank.

Procedure: 6. Obtain certified true copy (CTC) of title document from Ministry of Lands

Time: 2 days

Cost: NGN 3,000

Comments: The applicant is required to make a written application to the Ministry, attach the deed, and make payment in cash at the Ministry of Lands.

Procedure: 7. Submit application for Governor's consent to the assignment to Ministry of Lands and Survey

Time: 91 days

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The application for consent should be accompanied by the following documents:

a. Proof of payment of the required fees;

b. Three year tax clearance for the seller and buyer's companies;

c. Four bound copies of the executed deed of assignment.

It takes 1 day to submit the documentation and 90 days to obtain consent.

Procedure: 8. Assessment of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant takes the deed to the Stamp Duty Office to have it assessed.

Procedure: 9. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 48,000 (NGN 7,500 for every million NGN of the property value and NGN 750 for every additional NGN 100,000 of the property value)

Comments: The applicant pays the assessed stamp duty at one of the designated banks.

Procedure: 10. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: Once the required duties have been paid, the applicant goes to the Stamp Duty Office with receipt of payment for the deed to be stamped.

Procedure: 11. Registering the deed of assignment at Lands Registry

Time: 1 day

Cost: No cost

Comments: After the deed has been stamped, it is taken to the Lands Registry for registration.

REGISTERING PROPERTY

NIGER, Minna

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 500 (search fee)

Comments: The applicant visits the Land Registry with a letter applying to conduct a search on whether the property has any encumbrances. Once fees have been paid at the office, the search is conducted.

Procedure: 2. Obtain Land Application Form from Lands Registry

Time: 1 day

Cost: No cost

Comments: The applicant must collect a form, which is called a Land Application Form, from the Land Registry, fill it in and attach passport photograph and declaration of age or birth certificate. The declaration of age or birth certificate is required because applicants must be over 18 years to apply.

Procedure: 3. Execute deed of assignment and Land Application Form

Time: 1 day

Cost: NGN 773,168 (10% of the property value for legal fees)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the scale of fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. The average lawyer's fee in Niger state is 10% of the value of the consideration. The legal fees cover the preparation of the deed of assignment and subsequent procedures that require the involvement of a lawyer.

Procedure: 4. Obtain evaluation report from professional valuer

Time: 1 day

Cost: NGN 20,000

Comments: The applicant is required to obtain an evaluation report from a registered professional valuer and then submit this report to the Land Registry. The report can cost anything between NGN 20,000 and NGN 50,000, based on negotiation with the professional valuer. The evaluation report is usually based on the information supplied by the applicant, including location, size of property, number of floors, etc.

Procedure: 5. Assessment of deed of assignment at Lands Registry

Time: 1 day

Cost: No cost

Comments: The Lands Registry uses the evaluation report by the professional valuer for assessment of fees.

Procedure: 6*. Pay administrative, registration and consent fees at a designated bank

Time: 1 day

Cost: NGN 157,634 (NGN 3,000 for consent form + 1% of the property value for registration + 1% of the property value for approval/consent)

Comments: The applicant makes the payment at a designated bank and then presents the proof of payment of registration fee upon registering the deed of assignment (Procedure 12).

Procedure: 7. Submit application for Governor's consent at Lands Registry

Time: 61 days

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The applicant goes to the Lands Registry and obtains, fills out and submits the consent form together with the following documents:

a. Proof of payment of fees;

b. Three copies of the deed of assignment;

c. Valuation report;

d. Proof of payment of ground rent and tax clearance (where applicable).

The minimum time required for this procedure is 60 days. In practice it can take up to 3 years.

Procedure: 8. Assessment of deed of assignment at the Stamp Duty Office

Time: 8 days

Cost: NGN 5,000 (cost of transportation to Abuja or Kaduna)

Comments: Applicants have to travel to Kaduna or Abuja for this procedure as it cannot be done in Minna.

Procedure: 9. Pay stamp duty at a designated bank

Time: 6 days

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant has to make the required payment at any of the designated banks and collect a bank draft in favor of the Stamp Duty Office.

Procedure: 10. Stamping of the deed of assignment at Stamp Duty Office

Time: 4 days

Cost: NGN 5,000 (cost of transportation to Abuja or Kaduna)

Comments: The applicant is required to present the bank draft, which is confirmed with the issuing bank before the process can continue (this usually takes a couple of days), and three copies of the deed of assignment.

Procedure: 11. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost (paid in Procedure 7)

Comments: The applicant goes to the Lands Registry and presents the stamped deed of assignment for registration.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

OGUN, Abeokuta

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 2,000

Comments: Before the search on property title can be conducted, the applicant must pay the search fee at a designated bank.

Procedure: 2. Conduct a search of the property title at the Ogun State Bureau of Lands and Survey

Time: 2 days

Cost: NGN 386,584 (5% of the property value)

Comments: The application letter for conducting the search is accompanied by a sworn declaration of the status of the party and the purpose of the search. A lawyer is usually hired to perform the registration of the property. The Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991] prescribes the following fees for property conveyancing: NGN 7,500-10,000+7.5% of values above NGN 20,000 if acting for the buyer (5% of values above NGN 20,000 if acting for the seller). In practice in Ogun the legal fees are negotiated between the parties and average around 5% of the property value. This fee will cover all the steps required till the new title is registered under the buyer's name.

Procedure: 3*. Obtain consent form (land form) from Bureau of Lands

Time: 1 day

Cost: NGN 7,000 (NGN 2,000 for consent form + NGN 5,000 administrative fee)

Comments: The consent form can be obtained from the Bureau of Lands and Survey.

Procedure: 4*. Obtain a certified true copy (CTC) of title document from Bureau of Lands

Time: 2 days

Cost: NGN 2,500 (NGN 500 per page)

Comments: The seller sends a letter of authority to the Director of Land Services at the Lands Registry, authorizing the lawyer to apply for and obtain CTC of title document. This document is required for obtaining the Governor's consent. The charge is NGN 500 per page.

Procedure: 5. Execute the deed of assignment and consent form

Time: 1 day

Cost: No cost (paid in Procedure 2)

Comments: Seller and buyer complete and sign the consent form and six copies of the deed of assignment.

Procedure: 6. Pay advance fees at a designated bank

Time: 1 day

Cost: NGN 618,534 (8% of the property value consent fee)

Comments: The actual consent fee is 8%, but the applicant initially pays 10'% of the value of the property as a deposit fee for consent, as it is assumed that the value of property listed in the deed is lower than the market value of the property.

Procedure: 7. Submit an application for Governor's consent at Attorney General's office

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act promulgated in 1978, all land that comprises the territory of each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in land property. In Ogun the authority to grant consent has been delegated by the Governor to the Attorney General and Commissioner for Justice. In order to obtain the Governor's consent, the applicant must submit the following documents:

a. Application form;

b. Certified True Copy (CTC) of title document;

c. Government receipt of up-to-date payment of ground rents;

d. Seller's three years tax clearance certificate;

e. Government receipt of payment of current tenement rate (if the land is developed);

f. Ogun state development levy receipts for the last 4 years;

g. Six copies of the deed of assignment;

h. Valuation report;

i. Evidence of remittance of current PAYE of their employees to Ogun state.

Procedure: 8. Receive a valuation inspection of the property from Ministry of Lands

Time: 21 days

Cost: No cost

Comments: After the advance fees have been paid, an officer from the Lands Registry will be assigned to conduct a physical inspection of the property, based on which a valuation report is prepared.

Procedure: 9. Assessment of the deed of assignment at the Board of Internal Revenue Service

Time: 1 day

Cost: No cost

Comments: The deed is presented by the buyer's lawyer for the assessment of stamp duty and capital gains tax at the Stamp Duty Office/Inland Revenue Service.

Procedure: 10. Pay the stamp duty and capital gains tax at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value stamp duty; capital gains tax is also paid, but not included in the calculation)

Comments: The buyer or the lawyer must go to a designated bank to pay the stamp duty and capital gains tax. Payment is by bank draft payable to any of the designated receiving banks. Capital gains tax is calculated at 10% of all chargeable gains.

Procedure: 11. Stamp the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by the buyer's lawyer for stamping at the Stamp Duty Office.

Procedure: 12. Submit payment slips at the Lands Registry and obtain certificate of confirmation of payment by the Revenue Desk

Time: 1 day

Cost: No cost

Comments: Due to the ongoing reform program "Ogun State pay direct" receipts and confirmations are now generated immediately.

Procedure: 13. Receive Governor's consent

Time: 60 days

Cost: No cost

Comments: After all payments have been cleared, the Bureau of Lands and Survey sends the files to the Office of the Attorney General and Commission for Justice, where the consent is prepared and signed, and then forwarded back to the Bureau of Lands and Survey.

Procedure: 14. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 5,000

Comments: After the consent has been granted, the buyer or lawyer pays the registration fee at a designated bank.

Procedure: 15. Registration of deed of assignment at Lands Registry

Time: 7 days

Cost: No cost

Comments: After paying the registration fee, the buyer's lawyer follows up for the deed to be filed at the Lands Registry.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

ONDO, Akure

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 1 day

Cost: NGN 6,000 (NGN 1,000 search fee + NGN 5,000 legal fee)

Comments: An application letter is addressed to the Lands Registry. The application letter must contain the registration particulars of the land in question. The essence of the search is to make sure the land is free from encumbrance. The NGN 5,000 legal fee only covers the search of property title.

Procedure: 2. Execute deed of assignment

Time: 7 days

Cost: NGN 773,168 (10% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the scale of fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. The stipulated fee is 10% of the value of consideration, but in practice most lawyers negotiate outside the provisions of the law. The legal fees cover the preparation of deed of assignment and subsequent registration of the title.

Procedure: 3*. Pay consent application form fee at a designated bank

Time: 1 day

Cost: NGN 1,000

Comments: Before obtaining the consent application form, the applicant has to pay the consent form fee at a designated bank. A receipt will be issued to the applicant.

Procedure: 4. Obtain consent application form from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: The receipt for the payment of the consent application form fee is taken to the Ministry of Lands and Housing to obtain consent form.

Procedure: 5. Obtain valuation report from a registered estate valuer

Time: 7 days

Cost: NGN 40,000 (fixed fee)

Comments: A registered estate valuer is contracted to carry out a valuation of the property. The valuation report is required to be submitted with the application for Governor's consent.

Procedure: 6. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. For ease of administration the Governor delegates his power of consent to the Commissioner, Ministry of Lands and Survey. In order to obtain the Governor's consent, the applicant must submit the following documents:

a. Consent application form;
b. Photocopy of the title document;
c. Evidence of payment of the development levy;
d. Copy of the deed of assignment;
e. Valuation report;
f. Current tax clearance certificate of seller and buyer's companies.

After the submission of all the above documents, an assessment is carried out on the property relying on the valuation report. The betterment value is arrived at after the assessment. The betterment value is the estimated value of the property as determined by the Ministry of Lands and Housing. This is used to calculate the consent fee. No physical inspection is required.

Procedure: 7. Obtain payment order from the Ministry of Lands and Housing

Time: 2 days

Cost: No cost

Comments: Applicant goes to the Ministry of Lands and Housing two days after submitting the application to be informed of the result of the assessment and the assessed amount to be paid.

Procedure: 8. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 773,168 (10% of the betterment value of property)

Comments: Consent fee is assessed at 10% of the betterment value of the property, which is the estimated value of the property as determined by the Ministry of Lands and Housing. Payment is made at a designated bank and receipt is issued.

Procedure: 9. Submit receipt of payment of consent fee to the Lands Registry and obtain Governor's consent

Time: 31 days

Cost: No cost

Comments: The receipt for the payment of consent fee is submitted to the Ministry of Lands and Housing. Several internal procedures follow to finalize the Governor's consent. It usually takes the Commissioner, Ministry of Lands and Housing 30 days to issue consent.

Procedure: 10. Assessment of capital gains tax at Board of Internal Revenue

Time: 1 day

Cost: No cost

Comments: After the Commissioner signs off on the transaction, the applicant takes the deed of assignment to the Board of Internal Revenue Service for assessment of capital gains tax. In Ondo, capital gains tax is calculated at 10% of the value of the property.

Procedure: 11. Pay capital gains tax at a designated bank

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: The applicant must pay at a designated bank the amount equivalent to 10% of the value of the property. After the payment, a receipt is issued.

Procedure: 12. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant takes the deed of assignment to the Stamp Duty Office for assessment. The Stamp Duty Office typically uses the figure indicated by the Ministry of Lands and Housing in their assessment.

Procedure: 13. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant pays the stamp duty at a designated bank, and is issued a teller receipt. Ad valorem stamp duties in Ondo are calculated at 3%.

Procedure: 14. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented by the buyer's lawyer for stamping at the Stamp Duty Office.

Procedure: 15. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 500

Comments: Payment of registration fee is made at a designated bank and a receipt is issued.

Procedure: 16. Registration of deed at Lands Registry

Time: 5 days

Cost: No cost

Comments: After payment of the registration fee, the buyer's lawyer follows up for the deed to be registered in the Lands Registry, to make it a perfected legal document. Registration only takes place after confirmation that capital gains tax and stamp duty have been paid.

*This procedure can be completed simultaneously with previous procedures.

REGISTERING PROPERTY

OSUN, Osogbo

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct search on property files at Lands Registry

Time: 7 days

Cost: NGN 15,000 (NGN 5,000 search fee + NGN 10,000 legal fee)

Comments: An application letter is addressed to the Permanent Secretary, Ministry of Lands and Physical Planning. The application letter must contain the registration particulars of the land in question. A lawyer is required to perform the registration of property. Legal fees are regulated by the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. In practice, lawyers negotiate their legal fees outside the provisions of the law. The NGN 10,000 in legal fees covers only the search.

Procedure: 2. Pay consent application form fee at a designated bank

Time: 1 day

Cost: NGN 1,500

Comments: The applicant makes a payment of NGN 1,500 for the application form at designated bank, and obtains a receipt.

Procedure: 3. Obtain consent application form from Lands Registry

Time: 1 day

Cost: No cost

Comments: After payment of the application form fee, the applicant takes the receipt obtained in the previous procedure to the Lands Registry to obtain the consent application form.

Procedure: 4. Execute deed of assignment and consent application form

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: The seller and buyer complete and sign the consent application form and four (4) copies of the deed of assignment. Lawyers typically charge 10% of the value of consideration as legal fees for preparing the deed and its subsequent registration.

Procedure: 5. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Osun, the Governor for ease of administration delegates his power of consent to the Commissioner, Ministry of Lands and Physical Planning. In order to obtain the Governor's consent, the applicant must submit the following documents:

a. Consent application form;

b. Photocopy of the title document;

c. Four copies of the deed of assignment;

d. Current tax clearance certificate of seller and buyer's companies;

e. Photographs of the property.

After the submission of all the above documents a file is opened and the processing of the file starts.

Procedure: 6. Receive inspection and evaluation from Ministry of Lands and Physical Planning

Time: 7 days

Cost: No cost

Comments: An inspection of the property will be conducted by a scheduled officer, who prepares a report of the inspection for the Director, Ministry of Lands and Physical Planning. The Director then makes an evaluation of the property and approves a sum as the capital value. The capital value is the estimated value of the property on the basis of which the consent fee is calculated.

Procedure: 7. Pick up a payment order from Ministry of Lands and Physical Planning

Time: 1 day

Cost: No cost

Comments: Letter conveying approval of consent fee payable is usually written to the applicant and may be collected by the seller or his lawyer.

Procedure: 8. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 773,168 (10% of the assessed capital value)

Comments: Consent fee is calculated at 10% of the capital value as assessed by the Director at the Ministry of Lands and Physical Planning. Payment is made at a designated bank, after which a receipt is obtained.

Procedure: 9. Submit receipt of payment of consent fee to the Lands Registry and obtain Governor's consent

Time: 61 days

Cost: No cost

Comments: The receipt for payment of consent fee is presented to the Lands Registry as evidence of payment, and a copy is kept in the applicant's file. The Lands Registry then continues with several internal procedures to finalize Governor's consent. It usually takes the Commissioner for Lands and Physical Planning about 60 days to give consent.

Procedure: 10. Assessment of the deed of assignment for stamp duty and capital gains tax at Board of Internal Revenue

Time: 1 day

Cost: No cost

Comments: After the Commissioner signs off on the transfer of property, the applicant then takes the deed of assignment to the Board of Internal Revenue for assessment of stamp duty and capital gains tax. The Board of Internal Revenue typically uses the capital value as indicated by the Lands Registry to assess fees. In Osun, capital gains tax is calculated at 10% of the gain defined as the difference between the current value of the property and the value when the seller originally obtained the property, minus any improvement costs.

Procedure: 11. Pay stamp duty and capital gains tax at a designated bank

Time: 2 days

Cost: NGN 154,634 (2% of the property value stamp duty; capital gains tax is also paid, but not included in the calculation)

Comments: The buyer's lawyer must go to a designated bank to pay the stamp duty and capital gains tax. After payment a receipt is issued. It takes 2 days for the payment to go through.

Procedure: 12. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented by the buyer's lawyer for stamping at the Stamp Duty Office. Stamping takes place only after the confirmation of payment is received.

Procedure: 13. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 2,500

Comments: Payment is made at a designated bank and receipt is issued.

Procedure: 14. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After payment of the registration fee, the buyer's lawyer then follows up for the deed to be registered in the Lands Registry to make it a perfected legal document.

REGISTERING PROPERTY

OYO, Ibadan

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Pay search fee at a bank

Time: 1 day

Cost: NGN 4,500 (NGN 1,500 per hour)

Comments: Before performing the search, the lawyer representing the buyer is required to pay the search fee at a designated bank. The search fee is NHN 1,500 per hour. It takes an average of 3 hours to perform a search.

Procedure: 2. Conduct search of property files at the Lands Registry

Time: 1 day

Cost: NGN 10,000 (legal fee)

Comments: An application letter is addressed to the Lands Registry. The application letter must contain the registration particulars of the land in question. The application letter to conduct the search is accompanied by a sworn declaration of the status of the party and purpose of search. A lawyer is required to perform the search to determine whether the property is free from encumbrances. Lawyers in Oyo usually charge about NGN 10,000 as a fee to conduct the search. The practice is that the legal fees for the search are charged separate from the fees for preparation of deed and subsequent procedures because sometimes the search reveals that the property is not unencumbered in which case the parties do not proceed with the transfer of deed and the lawyer's services are no longer necessary.

Procedure: 3. Execute deed of assignment

Time: 7 days

Cost: NGN 773,168 (10% of the property value)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Legal fees are charged based on the scale of fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. The average lawyer's fee in Oyo is 10% of the value of the consideration. The legal fees cover the preparation of the deed of assignment and subsequent procedures that require the involvement of a lawyer.

Procedure: 4. Pay consent application form fee, special levy on tax clearance, and inspection fee at a designated bank

Time: 1 day

Cost: NGN 16,500 (NGN 5,000 consent application form fee + NGN 10,000 special levy on tax clearance + NGN 1,500 inspection fee)

Comments: Before obtaining the consent application form, the applicant has to pay the above-mentioned fees at a designated bank. A teller receipt will be issued to the applicant.

Procedure: 5. Obtain consent application form from Lands Registry

Time: 1 day

Cost: No cost

Comments: After the payment of consent application form fee and other fees, the teller receipt obtained is taken to the Lands Registry to obtain consent form. This form acts as an application for the Governor's consent.

Procedure: 6. Obtain valuation report from estate valuer

Time: 5 days

Cost: NGN 30,000

Comments: Applicant must obtain an external valuation report of the property from a qualified estate valuer. The valuation report is required for assessment of the property before Governor's consent is given. It usually takes 5 days to obtain.

Procedure: 7. Submit application for Governor's consent to the assignment to Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land in each state in the federation became vested in the Governor of the state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The Governor for ease of administration delegates his power of consent to the Commissioner and Permanent Secretary of the Ministry of Lands and Survey. In order to obtain the Governor's consent, the applicant must submit the following documents:

a. Consent application form;

b. Photocopy of the title document;

c. Evidence of payment of fees;

d. Undated draft of the deed of assignment;

e. External valuation report of the property;

f. Tax clearance certificates of seller and buyer's companies for the past three years;

g. Photographs of the property;

h. Seal and articles of association of seller's and buyer's companies.

After the submission of all the above documents a file is opened and processing starts.

Procedure: 8. Receive inspection and evaluation from the Ministry of Lands and Survey

Time: 3 days

Cost: No cost (paid in Procedure 4)

Comments: An inspection of the property is conducted by officers of the Ministry of Lands and Survey, who prepare a report of the inspection. The report is used to estimate the value of the property. This estimated value is used to calculate the consent fee.

Procedure: 9. Pick up payment order from Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: The applicant has to pick up a payment order at the Lands Registry specifying the amount that needs to be paid as consent fee.

Procedure: 10. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: In Oyo, consent fees are assessed at 10% of the estimated value of the property as determined by the Ministry of Lands and Survey. Payment is made at a designated bank and a receipt is issued.

Procedure: 11. Submit receipt of payment of consent fee to the Lands Registry and assessment of capital gains tax

Time: 31 days

Cost: No cost

Comments: The receipt for payment of consent fee is presented to the Lands Registry as evidence of payment. The Lands Registry then continues with several internal procedures to finalize Governor's consent. It usually takes the Commissioner or the Permanent Secretary 30 days to give consent. After the Commissioner or Permanent Secretary signs off on the transfer of property, the deed of assignment is passed on to the officer of the Board of Internal Revenue Service who is stationed at the Lands Registry for assessment of capital gains tax. In Oyo, capital gains tax is calculated at 10% of the gain defined as the difference between the current value of the property and the value when the seller originally obtained the property, minus any improvement costs. The assessment takes 1 day.

Procedure: 12. Pay capital gains tax at a designated bank

Time: 1 day

Cost: No cost (capital gains tax is paid, but not included in the calculation)

Comments: The applicant must pays the capital gains tax calculated at 10% of the gain, defined as the difference between the current value of the property and the value when the seller originally obtained the property, minus any improvement costs, at a designated bank. After payment, a receipt is issued.

Procedure: 13. Assessment of the deed of assignment at the Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: Stamp duty on transfer of property between two limited liability companies in Oyo is 3% of the value of the property and is paid to the federal government rather than the state. The Stamp Duty Office usually uses the figure indicated by the Ministry of Lands and Survey in their assessment of the value of the property.

Procedure: 14. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant pays the stamp duty at a designated bank. After payment, the applicant is issued a receipt.

Procedure: 15. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office.

Procedure: 16. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 15,000 (fixed fee)

Comments: Payment of registration fee is made at a designated bank and a receipt is issued.

Procedure: 17. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: After payment of the registration fee, the buyer's lawyer follows up for the deed to be registered in the Lands Registry to make it a perfected legal document. Registration only takes place after confirmation that capital gains tax and stamp duty have been paid.

REGISTERING PROPERTY

PLATEAU, Jos

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct a search of property files at Lands Registry

Time: 3 days

Cost: NGN 582,876 (NGN 3,000 search fee + 7.5% of the property value legal fees)

Comments: The applicant or lawyer goes to the Land Registry, pays the search fees and fills out a search form, after which the search is conducted. The involvement of a lawyer is not required by law, but is a practice in Jos. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. In practice, though, legal fees are negotiable and in Plateau they average 7.5% of the consideration. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: No cost

Comments: The seller, buyer and their witnesses duly execute the deed of assignment.

Procedure: 3. Assessment of deed of assignment at Lands Registry

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer presents the executed deed of assignment at the Lands Registry for assessment of registration fees.

Procedure: 4. Receive inspection of property

Time: 5 days

Cost: No cost

Comments: An inspection of the property will be conducted by an officer, who prepares an evaluation report to the Ministry of Lands and Housing. An ascribed value is then given to the property, on the basis of which fees are calculated.

Procedure: 5. Submit application for Governor's consent to the assignment and pay fees at Ministry of Lands

Time: 50 days

Cost: NGN 232,950 (NGN 1,000 consent application fee + 3% of the property value registration fee)

Comments: The applicant or lawyer acting for the applicant makes an application for Governor's consent. In Plateau this task is delegated to the Honorable Commissioner for Lands, Survey and Town Planning. The applicant is required to make all necessary payments at the Lands Registry, the proof of which is included in the application. Documents required to be submitted with the application are the following:

a. Four copies of the deed of assignment;
b. Tax clearance certificates for both seller and buyers' companies for the past three years;
c. Evidence of payment of ground rent;
d. Evidence of payment of the required fees.

All payments are made at the Ministry.

Procedure: 6. Assessment of deed of assignment at Inland Revenue Service

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer presents the deed of assignment to the Inland Revenue Service for assessment of capital gains and stamp duty.

Procedure: 7. Pay capital gains tax and stamp duty at a designated bank

Time: 1 day

Cost: NGN 541,218 (5% of the property value capital gains tax + 2% of the property value stamp duty)

Comments: The applicant or lawyer goes to the designated bank to make the payment into the Federal Inland Revenue Board account and collects the receipt as proof of payment.

Procedure: 8. Stamping of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer goes back to Stamp Duty Office with proof of payment of fees to have the deed stamped.

Procedure: 9. Registration of deed at Lands Registry

Time: 3 days

Cost: No cost

Comments: The applicant or lawyer goes to Lands Registry with stamped deed for registration. The deed is registered only after the Ministry cross-checks files to confirm that all payments have been made.

REGISTERING PROPERTY

RIVERS, Port Harcourt

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Pay search fee at a designated bank

Time: 1 day

Cost: NGN 500

Comments: The applicant will present the title document of the property to the Lands Registry and obtain an application form for search. The applicant then proceeds to the bank to pay the search fee of NGN 500. The invoice is then attached to the application form and returned to the Registry along with the title documents of the property for the search to be performed.

Procedure: 2. Conduct search on property files at Lands Registry

Time: 2 days

Cost: No cost

Comments: The applicant brings proof f payment to the Lands Registry and executes the search.

Procedure: 3. Execute deed of assignment

Time: 1 day

Cost: NGN 773,168 (10% of the property value)

Comments: The deed of assignment is executed by the seller and buyer after the buyer's lawyer confirms the seller's root of title at the deed Registry.

Procedure: 4. Attestation of the deed at the Magistrate Court Registry

Time: 1 day

Cost: NGN 500

Comments: The lawyer that drafted the deed takes it to the magistrate court where 'it is attested to' (notarized). This is done at the Magistrate Courts Registry. The attestation is done on the face of the document. Although there is not legal backing for this procedure, it has become a common practice. This is essentially a confidence building measure between the lawyer and the client.

Procedure: 5. Assessment of deed of assignment at Land Registry

Time: 2 days

Cost: No cost

Comments: The deed is submitted for assessment to determine the value of the property and calculate the applicable fees based on that value. The assessment includes an on-site inspection of the property.

Procedure: 6. Receive site inspection from Ministry of Lands

Time: 1 day

Cost: No cost

Comments: Ministry valuers inspect the property to determine its market value. Based on that value fees are calculated and communicated to the applicant.

Procedure: 7. Pay consent and other fees at a designated bank

Time: 1 day

Cost: NGN 785,168 (NGN 5,000 for Governor's consent application + NGN 2,000 for execution + NGN 5,000 for registration + 10% of the property value consent fee)

Comments: The listed fees are paid and a receipt is issued together with the paying slip of the designated bank.

Procedure: 8. Assessment of deed of assignment for stamp duty and capital gains tax at the Federal Inland Revenue Service

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office typically uses the figure indicated by the Lands Registry in their assessment of the value of the property, so basically this is a formality and one picks up the demand notice for the payment at the same time.
Stamp duty is calculated at 3% of the value of the property, while capital gains tax is 10% of the profit made in the transaction.

Procedure: 9. Pay stamp duty and capital gains tax at a designated bank

Time: 2 days

Cost: NGN 231,950 (3% of the property value stamp duty; capital gains tax is also paid, but not included in the calculation)

Comments: The applicant or the lawyer goes to the private bank to pay the stamp duty and is given a computer receipt, which is taken to the Stamp Duty Office for submission and stamping of the deed.

Procedure: 10. Stamping of deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office (agency of the Inland Revenue Services).

Procedure: 11. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Rivers State, the power to grant consent is delegated to the Attorney General (Commissioner of Justice). In order to obtain the consent, the applicant must submit the following documents:

a. Consent application form;

b. Copy of the deed of assignment;

c. Evidence of payment of the stamp duty (shown on the face of the document);

d. Tax clearance certificates of seller and buyer's companies for the past three years;

e. Passport size photographs of applicants.

Procedure: 12. Obtain Governor's consent

Time: 180 days

Cost: No cost

Comments: The Permanent Secretary at the Ministry of Land will ascertain that all documents, payments, etc. are in order, and pass on the file to the Attorney General (Commissioner for Justice) for issuance of consent.

Procedure: 13. Registration of deed of assignment at Lands Registry

Time: 7 days

Cost: No cost

Comments: There is a 'property card' for all properties in Rivers State. The name of the current owner of the property and the history of ownership of the property is documented on the card. A copy of the deed of assignment is kept at the Registry.

REGISTERING PROPERTY

SOKOTO, Sokoto

Property value: USD 58,050 = NGN 7,731,680
Data as of: January 2010

Procedure: 1. Conduct a search of property title at the Ministry of Lands, Housing, and Surveys

Time: 1 day

Cost: NGN 387,084 (NGN 500 search fee + 5% of the property value legal fees)

Comments: A lawyer is required to perform the search of property title in Sokoto. The lawyer goes to the Ministry, pays the NGN 500 search fee in cash on the spot, and a search is conducted. The specified legal fee of 5% of property value covers the search of property title and preparation of deed of assignment by a lawyer.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: No cost (fee paid in previous procedure)

Comments: Seller and buyer sign deed of assignment.

Procedure: 3. Submit application for Governor's consent to the assignment to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act 1978, all land comprised in the territory of each state in the federation is vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Sokoto, the consent has not been delegated and the Governor himself signs all the applications. The applicant is required to fill in and submit a consent form accompanied by a photocopy of the tile document and proof of payment of ground rates.

Procedure: 4. Receive a valuation inspection from Ministry of Lands

Time: 14 days

Cost: No cost

Comments: An inspection of the property is conducted to valuate the property and ensure that the improvements to the land have been done according to the specifications made by the Ministry of Lands. All fees will be calculated based on the value of the property established during the inspection.

Procedure: 5. Pay consent fee at a designated bank

Time: 1 day

Cost: NGN 154,634 (2% of the property value)

Comments: The Ministry does not issue an official report on the assessed value of the property. In practice, the applicant would be in contact with the ministry officials either by phone or visits to follow up on the evaluation process and the assessed value would be communicated to the applicant in writing during these follow ups. Based on the assessed value of property, a 2% consent fee is calculated and paid to a designated bank.

Procedure: 6. Submit proof of payment of fees to Ministry of Lands

Time: 1 day

Cost: No cost

Comments: Upon payment of the fees, the application for consent is lodged. The applicant submits the application form earlier in the process, but it is only lodged with the Governor for granting consent after the payment of the consent fee is confirmed.

Procedure: 7. Obtain letter of consent from the Governor

Time: 60 days

Cost: No cost

Comments: The applicant receives a letter of consent allowing 30 days for the payment of additional fees and registration. Following requests from the Nigerian Bar Association (NBA) and other stakeholders in the state to speed up the process of granting consent, the Governor, while refusing to delegate the signing of Governor's consent, agreed to speed up the process and has since pursued a policy of ensuring that consent is granted within 30 days. In reality, however, it usually takes 60 days to obtain consent.

Procedure: 8. Submit the deed of assignment for assessment at the Stamp Duty Office of the Federal Inland Revenue Service

Time: 1 day

Cost: No cost

Comments: The deed is presented for assessment at the Stamp Duty Office.

Procedure: 9. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: Payment is by bank draft payable to any of the designated receiving banks.

Procedure: 10. Stamping of the deed of assignment at Stamp Duty Office

Time: 2 days

Cost: No cost

Comments: The deed is presented for stamping at the Stamp Duty Office. Stamping takes place only after the Stamp Duty Office receives confirmation of receipt of payment from the designated bank.

Procedure: 11. Pay registration fee at a designated bank

Time: 1 day

Cost: NGN 386,584 (5% of the property value)

Comments: The applicant is required to pay the registration fee, which is 5% of the value of property, at a designated bank.

Procedure: 12. Registration of deed at Lands Registry

Time: 2 days

Cost: No cost

Comments: After paying the registration fee, the applicant follows up for the deed at be filed at the Lands Registry.

REGISTERING PROPERTY

TARABA, Jalingo

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct search of property title at Lands Registry

Time: 1 day

Cost: NGN 387,584 (NGN 1,000 search fee + 5% of the property value legal fees)

Comments: The application letter to conduct the search is accompanied by a sworn declaration of the status of the party and purpose of search. A lawyer is required to perform the registration of property. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991]. The average fee charged in Taraba is 5% of the consideration. This fee includes all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Obtain Land Application Form 1 from Bureau of Lands

Time: 1 day

Cost: NGN 250

Comments: One can obtain the application from the consent section of the Lands Registry. Form 1C is the application form to later request the Governor's consent to the transaction required by Nigerian law. The fee can be paid at the Lands Registry.

Procedure: 3. Execute deed of assignment and Land Application Form 1

Time: 1 day

Cost: No cost (paid in Procedure 1)

Comments: The seller and seller complete Land Form 1 and sign four copies of the deed of assignment.

Procedure: 4. Assessment of the deed of assignment at Bureau of Lands

Time: 1 day

Cost: No cost

Comments: The deed is presented by the buyer's lawyer to the Land Registry for assessment of property value to determine registration and consent fees.

Procedure: 5. Obtain certified true copy (CTC) of title document from Bureau of Lands

Time: 2 days

Cost: NGN 5,000

Comments: In Taraba, the seller, the buyer or their lawyer can apply to the Permanent Secretary at the Bureau for Lands and Survey for the certified true copy of title documents.

Procedure: 6. Submit application for Governor's consent at Bureau of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Taraba, the power to grant consent has been delegated to the Permanent Secretary at the Ministry of Lands and Surveys, which speeds up the procedure.

Procedure: 7. Pay consent and registration fee at Bureau of Lands

Time: 1 day

Cost: NGN 10,000 (NGN 5,000 consent fee + NGN 5,000 registration fee)

Comments: In Taraba only a registration and consent fee are levied on the transfer of property. The payment is made directly to the Lands Registry, which issues receipts.

Procedure: 8. Obtain Governor's consent to the assignment

Time: 6 days

Cost: No cost

Comments: After the payments of the required fees at the Land Registry, the Registry will continue with several internal procedures and will finally communicate to the applicant when consent is approved.

Procedure: 9. Assessment of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office typically uses the figure indicated by the Lands Registry in their assessment, so basically this is a formality and one picks up the demand notice for payment at the same time.

Procedure: 10. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is by bank draft payable to any of the designated receiving banks.

Procedure: 11. Stamping of the deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for stamping at the Stamp Duty Office (agency of Inland Revenue Services).

Procedure: 12. Registration of deed at Lands Registry

Time: 5 days

Cost: No cost

Comments: After obtaining consent, the buyer's lawyer follows up for the deed to be filed at the Lands Registry. The receipt and paying-in slips evidencing payment of the registration fees are given to the cashier at the Lands Registry, who in turn issues a receipt. After this receipt is obtained, a lands officer is assigned to enter the deed of assignment into the registry records.

REGISTERING PROPERTY

YOBE, Damaturu

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct search of property title at Ministry of Lands and Survey

Time: 1 day

Cost: NGN 12,000 (NGN 2,000 search fee + NGN 10,000 legal fee)

Comments: An application letter is submitted to the Lands Registry, which gives details of the purpose of the search and the parties involved. The NGN 2,000 search fee is paid in cash to the Ministry of Land. Legal fees are usually negotiated and average at about NGN 10,000. The fees include all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Execute deed of assignment

Time: 1 day

Cost: No cost

Comments: Any of the lawyers representing the parties will prepare the deed of assignment. This is vetted by the other party's lawyer and the seller and buyer sign it.

Procedure: 3. Submit application for Governor's consent

Time: 7 days

Cost: NGN 2,000

Comments: By virtue of the Land Use Act, promulgated in 1978, all land in each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. The consent fee of NGN 2, 000 is paid in cash at the Land Registry. Once submitted, the deed is assessed to determine the value of the property and calculate applicable fees. There is no physical inspection of property.

Procedure: 4. Pay registration fee at Lands Registry

Time: 1 day

Cost: NGN 154,634 (2% of the property value)

Comments: Payment of registration fees is made at the Land Registry.

Procedure: 5. Submit receipts of payment of registration fee to Director of Land Services

Time: 1 day

Cost: No cost

Comments: In order to make sure that the application is processed in a reasonable amount of time, it is common practice for the applicant to submit the receipt of payment of the registration fee to the Director of Land Services personally instead of relying on internal procedures.

Procedure: 6. Assessment of stamp duty at Federal Inland Revenue Service

Time: 1 day

Cost: No cost

Comments: The deed is assessed at the Federal Inland Revenue Service to determine stamp duty.

Procedure: 7. Pay stamp duty at a designated bank

Time: 1 day

Cost: NGN 231,950 (3% of the property value)

Comments: A receipt is issued upon payment of the stamp duty, which is then presented to the Lands Registry.

Procedure: 8. Submit receipts of payment of stamp duty to Director of Land Services and obtain Governor's consent

Time: 60 days

Cost: No cost

Comments: The receipt for payment of stamp duty is presented to the Lands Registry after which the deed of assignment is stamped. The file and all the receipts of paid fees are then forwarded to the Commissioner of Lands who issues the consent. Although the power to grant consent has been delegated to the Commissioner of Lands, the Governor sometimes personally issues the consent.

Procedure: 9. Registration of deed at Lands Registry

Time: 7 days

Cost: No cost

Comments: The deed is entered into the Registry's records.

REGISTERING PROPERTY

ZAMFARA, Gusau

Property value: USD 58,050 = NGN 7,731,680

Data as of: January 2010

Procedure: 1. Conduct a search on property files at Lands Registry

Time: 1 day

Cost: NGN 309,467 (NGN 200 search fee + 4% of the property value legal fee)

Comments: Once payment of the required search fee has been made in cash at the office, a search can be conducted. Legal fees are charged based on the Scale of Fees for Conveyancing Matters [Legal Practitioners (Remuneration for Legal Documentation and other Land Matters) Order 1991]. However, in Zamfara, lawyers negotiate fees outside the provisions of the law and generally charge 5% of the value of consideration. The fee includes all the steps required until the new title is registered under the buyer's name.

Procedure: 2. Obtain application Land Form C from Lands Registry

Time: 1 day

Cost: NGN 3,000

Comments: The applicant is required to obtain the application form from the Lands Registry, fill it out, and submit it with the evidence of payment of relevant fees and documents when submitting the application for Governor's consent to the assignment. The fee is paid in cash at the Lands Registry.

Procedure: 3. Execute deed of assignment and Land Form C

Time: 1 day

Cost: No cost

Comments: The seller and buyer sign the deed in the presence of two witnesses. They then fill out the necessary forms to be submitted to the Lands Registry.

Procedure: 4. Assessment of deed of assignment at Lands Registry

Time: 1 day

Cost: No cost

Comments: The executed deed is presented at the Lands Registry for assessment of the value of the property and calculation of registration fees. The registration fee is 2% of the value of the property.

Procedure: 5. Receive a valuation inspection from Ministry of Lands

Time: 3 days

Cost: No cost

Comments: The Lands Registry, as part of the assessment, sends out a valuation officer to inspect the property for the purpose of assessing its value.

Procedure: 6. Obtain bank draft for registration fee and capital gains tax from a designated bank

Time: 1 day

Cost: NGN 400 (NGN 200 per draft)

Comments: The lawyer is required to obtain a bank draft for the registration fee made out in favor of the Board of Internal Revenue. The Board of Internal Revenue (BIR) is the state's revenue collection body and it is distinct from the Federal Inland Revenue Service, where stamp duty is paid. The BIR maintain a desk/office within the Ministry of Lands to collect revenue payments on behalf of the state.

Procedure: 7. Pay registration fee and consent fee at Revenue Office attached to the Ministry of Lands

Time: 1 day

Cost: NGN 157,634 (2% of the property value registration fee + NGN 3,000 consent fee; capital gains tax is also paid, but not included in the calculation)

Comments: The lawyer submits the bank drafts for the registration fee and capital gains tax to the Revenue Officer at the Revenue Office, which is attached to the Ministry of Lands. The lawyer is also required to pay a NGN 3, 000 consent fee in cash at the same office. Once these payments are made the deed is stamped as proof of payment.

Procedure: 8. Assessment of the deed at the Stamp Duty Office, payment of fees, and stamping of deed

Time: 1 day

Cost: NGN 154,634 (2% of the property value)

Comments: The applicant is required to go to the Stamp Duty Office where the deed of assignment is assessed, after which the applicant is required to pay the assessed stamp duty at the office in cash, then the deed is stamped and a receipt is issued. Ad valorem stamp duty for property assignment between companies is 2%.

Procedure: 9. Submit application for Governor's consent to assignment to Lands Registry

Time: 21 days

Cost: No cost

Comments: By virtue of the Land Use Act, promulgated in 1978, all land comprised in territory of each state in the federation became vested in the Governor of that state, whose prior consent is mandatory for the legal validity of any transfers or alienation of interest in landed property. In Zamfara, the authority to grant consent has been delegated to the Commissioner, Ministry of Lands. In order to obtain the consent, the applicant must submit the following documents:

a. Consent application form;
b. Copy of the deed of assignment;
c. Evidence of payment of the stamp duty and registration fee;
d. Tax clearance certificate of seller and buyer's companies for the past three years;
e. Copy of the certificate of association, memorandum and articles of association of seller and buyer's companies.

The actual submission takes one day, but it takes about 3 weeks to obtain the Governor's consent.

Procedure: 10. Registration of deed at Lands Registry

Time: 1 day

Cost: No cost

Comments: Once all prescribed fees have been paid, the deed will be registered in the Lands Registry.

Acknowledgments

Contact details for local partners are available on the Subnational *Doing Business* website at http://subnational.doingbusiness.org

Doing Business in Nigeria 2010 was prepared by a team led by Catherine Masinde, Luis Aldo Sanchez-Ortega, and Madalina Papahagi. The team comprised Teymour Abdel-Aziz, Karen Sarah Cuttaree, Dijana Despodova-Pajkovski, Ngozi Njemanze, Brice Richard, and Alessio Zanelli and colleagues from the World Bank Nigeria office, especially Joseph Akpokodje, Phil Chigbo-Ugochukwu, Steven Dimitriyev, Dr. Eric Eboh, Obinali Egele, Nnanyelugo Ezejiofor, Ali Garba, Chima Ndugbu, and Chukwuemeka Ugochukwu. The report was prepared under the general direction of Mierta Capaul.

Jack Allen, Reginald Chijioke Nworka, Chika Ozo Chime, Claudia Contreras, Desmond Dodd, Chidozie P. Eneh, Iva Hamel, Niyi Ladoja, Osongo Lenga, Trimor Mici, Aisha Mujaddai, Lilian Oyama, Jamile Ramadan, Maria Camila Roberts, Pilar Sanchez-Bella, and Nadine Shamounki-Ghannam, Obadiah Tohomdet, Lydia Waribo provided assistance at various stages of the project. Adebayo Akindeinde, Igor Artemiev, Dobromir Christow, Nouma T. Dione, Penelope Fidas, Jana Malinska, Thomas Moullier, Kristtian Rada, and Justin Yap provided peer-review comments. Valuable assistance was received from the *Doing Business* team, especially Karim Belayachi, Frederic Bustelo, Marie-Lily Delion, Alejandro Espinosa-Wang, Frederic Meunier, and Yara Salem.

The report website (http://www.doingbusiness.org/Nigeria) was developed by Graeme Littler, Felipe Iturralde, Hashim Zia, and Preeti Endlaw. The report was edited by Grace Morsberger and designed by G. Quinn Information Design.

Special thanks go to M. A. Alao, Director, Aliyu Ismaila, Director, Uzor Okoye, Deputy Director, Tunde Alabi, and Edi Namiji Akubo from the Ministry of Finance of Nigeria; Onno Ruhl, World Bank Country Director; Solomon Quaynor, IFC Country Manager; and David Bridgman, Manager, World Bank Investment Climate Team for Africa, for their support of and leadership on the project.

This project is the result of collaboration between the World Bank Investment Climate Team for Africa, the subnational *Doing Business* team, and the UK Department for International Development (DFID). The Government of Germany, through the Gesellschaft für Technische Zusammenarbeit (GTZ), and the Government of Switzerland, through the State Secretariat for Economic Affairs (SECO), have also contributed to the project.

More than 480 lawyers, architects, and public officials contributed to *Doing Business in Nigeria 2010*. The team extends special thanks to the Nigerian Bar Association (NBA), especially Ikeazor Akaraiwe and Muritala Abdulrasheed for organizing data collection at the national level. Valuable feedback and assistance was received from various architects from the Nigerian Institute of Architects (NIA), especially Eric Chukwuka and Akubue Jideofor. The team extends its special gratitude to all the private professionals, and national and state government officials who participated in the project and who made valuable comments during the consultation and data-review period. Their names are listed in the following pages.

PUBLIC OFFICIALS

ABIA, ABA

Chinedu Brown
Permanent Secretary, Ministry of Finance

Agu Ojukwu
Special Adviser, Economic Affairs

ADAMAWA, YOLA

H. D. Muhammad
Ministry of Justice

AKWA IBOM, UYO

Kufre Bassey Ibokette
Head (Revenue Protection Service), Bureau of Internal Revenue

Ed Macauley
Chief Registrar, Ministry of Justice (Akwa Ibom)

Inyang Udo
Assistant Director, Ministry of Finance

Ime Umofiah
Ministry of Justice

ANAMBRA, ONITSHA

Eze Echesi
Commissioner, Ministry of Finance

Dan Ezeanwu
Director, Ministry of Commerce, Industry & Tourism

A. I. Nnalue
Permanent Secretary, Ministry of Commerce, Industry & Tourism

B. C. Nwobu
Ministry of Finance

C. D. C. Okonkwo
Ministry of Finance

Ben Orakwe
Deputy Director, Ministry of Commerce, Industry & Tourism

BAUCHI, BAUCHI

Mohamed Tela Lamaide
Honorable Commissioner, Ministry of Budget and Economic Planning

Samaila A. Lamzani
Deputy Director, Ministry of Budget and Economic Planning

BAYELSA, YENAGOA

Robert J. Lokoson
Director, Ministry of Commerce and Industry

BENUE, MAKURDI

Comfort M. Chaha
Ministry of Justice

BORNO, MAIDUGURI

Hadiza Magaji
Ministry of Justice

CROSS RIVER, CALABAR

Edward Clay-Onah
Manager, Investment Promotion

Esien Ukorebi
Executive Chairman, Internal Revenue Service

DELTA, WARRI

Abidemirita Ekpemina
Assistant Chief Legal Officer, Ministry of Justice

Toritseju Megbuluba
Principal Legal Officer, Ministry of Justice

Charles Nenyiabai
Special Adviser, Commissioner for Finance Office

P. S. Okogba
Permanent Secretary, Ministry of Commerce and Industry

A. A. Omoniyi
Director (Commerce), Ministry of Commerce and Industry

Austin I Akpotu
Director, Ministry of Commerce and Industry

EBONYI, ABAKALIKI

Nwonji Cajetan
Head (Account Production), Ministry of Commerce

J. Chukwu
Commissioner, Ministry of Commerce

Jossy Eze
Attorney General /Commisioner, Ministry of Justice

Chris Okereke
Commissioner

Reginald C. Onwe
Commissioner, Ministry of Finance

EDO, BENIN CITY

Sera Adetugboboh
Commissioner, Ministry of Commerce

Patrick Agbolahor
Director (Industries), Ministry of Commerce

Joseph Obaseki
Permanent Secretary, Ministry of Commerce

Goodwill Omoregie
Director (Commerce), Ministry of Commerce

EKITI, ADO-EKITI

Ayodele Adeyanju
Commissioner, Ministry of Commerce

O. S. Adunmo
Deputy Director (Statistics), Water Corporation

I. O. Ajayi
Director (Research & Stats), Ministry of Finance

E. A. Aribisale
Deputy Director, Ministry of Lands and Housing

S. B. J. Bamise
Ministry of Justice

Osegbohun
Deputy Director, Ministry of Lands and Housing

ENUGU, ENUGU

Jude Akubuilo
Special Adviser, Diasporan Nigerians

Florence Alio
Permanent Secretary, Ministry of Finance

Albert Edoga
Commissioner, Ministry of Lands and Housing

G. O. Enih
Director (Industries), Ministry of Commerce and Industry

Vivian Eze
Commissioner, Ministry of Finance

Julius Ngwu
Director (Town Planning), Ministry of Lands and Housing

Edward Ogbodo
Ministry of Lands and Housing

C. A. Onaga
Solicitor General (Permanent Secretary), Ministry of Justice

FCT, ABUJA

A. O. Adakanye
Chief Planning Officer, National Planning Commission

A. O. Akingbala
Chief Planning Officer, National Planning Commission

Edi Namiji Akubo
Federal Ministry of Finance

Tunde Alabi
Federal Ministry of Finance

Ibrahim Aliyu
Abuja Investment Company

R. K. Attahiru
Deputy Director, Federal Ministry of Commerce

J. C. W. Balami
General Manager, Finance, Power Holding Company Of Nigeria

A. A. Bello
Federal Ministry of Finance

M. A. C. Dike
Director, Tax Policy, Federal Inland Revenue Service

H. M. Ibrahim
Senior Manager, Tax, Federal Inland Revenue Service

Godfrey Ike
Assistant Director, Corporate Affairs Commission

Aliyu Ismaila
Director, IERD, Federal Ministry of Finance

Akybo Ebi Namiji
Assistant Director, Federal Ministry of Finance

Evelyn Nwachukwu
Chief Commercial Officer, Federal Ministry of Commerce

Fabian Ogbu
Federal Ministry of Finance

A. A. Ogunmefun
Assistant Director, Federal Ministry of Finance

Alfred Okeke
Chief Investment Officer, Nigeria Investment Promotion Commission

Uzor Okoye
Deputy Director, IERD, Federal Ministry of Finance

Amos Y. Sakaba
Director, Nigeria Investment Promotion Commission

A. B. Shehu
Deputy Director, Federal Ministry of Finance

Laraba Shuaibu
Deputy Director, Corporate Affairs Commission

U. T. Usoro
Chief Accountant, Federal Ministry of Justice

Hajja Gana Wakil
Deputy Director, Nigeria Investment Promotion Commission

M. U. Wambai
Deputy Director, Corporate Affairs Commission

GOMBE,GOMBE

Muhammad Issa
Ministry of Justice

Talatu Peter
Ministry of Justice

Haruna Yelma
Ministry of Justice

IMO, OWERRI

E. C. Aguta
Director (Legal Drafting), Ministry of Justice

Oby Amadiobi
Director (Commerce), Ministry of Commerce

Chuck Chukwuemeka
Special Adviser, Economic Affairs

E. U. G. Eche
Director, Office of the Attorney General

R. N. Ibe
Ministry of Planning and Economic Development

B. E. Ogwunga
Director (Deeds Registry), Ministry of Lands and Housing

Geff Ojinika
Commissioner, Ministry of Commerce

Elsie Tagbo R.B.K Okafor
Legal Officer, Imo State House of Assembly

Ray Ucheoma
Head (Enforcement), Ministry of Lands and Housing

PUBLIC OFFICIALS

JIGAWA, DUTSE

A. M. Abubakar
Deputy Chief Registrar, Ministry of Justice

Musa M. Imam
Director, Ministry of Justice

Alh. Garba Isa
Executive Secretary, Jigawa Urban Development Board

Salisu Yusuf Isah
Director, Ministry of Lands & Housing

Adamu Turaki Muhammed
Ministry of Justice

Ahmed Gambo Saleh
Office of the Chief Justice of Nigeria

M. N. Sani
Director, Registry

Nuhu Tafida
Ministry of Justice

Alhassan Turaki
Director, Ministry of Commerce

KADUNA, KADUNA

Agnes Auta
Ministry of Commerce and Industry

Shehu M Bambate
Ministry of Finance

KANO, KANO

Jamilu S Adamu
Ministry of Commerce

Jamil Sarki Adamu

Abdulrahman Ahmed
Chief Officer

Bashir Balarabe
Trade Officer, Ministry of Commerce

Uba Bashir
Desk Officer, Ministry of Commerce

Ibrahim Garba
Commerce Officer, Ministry of Commerce

Jamilu Hamza
Chief Officer

Usman Haura
Ministry of Lands and Physical Planning

Abubakar Ibrahim
Deputy Director, Ministry of Lands and Physical Planning

Sarki Ibrahim
Chief Trade Officer, Ministry of Commerce

Ibrahim Sani Kalil
Director, Urban Development Authority

Mohammed Y. Kilishi
Trade Officer, Ministry of Commerce

Mustapha Isa R. Kira
Corporate Affairs Commission

Abdullahi H. Kwaru
Ministry of Commerce

Amina Maude
Chief Trade Officer, Ministry of Commerce

Bala A. Mohd
Head, Corporate Affairs Commission

Y. Mustapha
Federal Inland Revenue Service

Imam Mustapha
Ministry of Justice

A. Mustapha
Legal Adviser, Ministry of Commerce

Kabir Sulaiman
Chief Commerce Officer, Ministry of Commerce

Shuaibu Sule
Ministry of Justice

Adamu Sule
Commerce Officer, Ministry of Commerce

Auwalu Shehu Umar
Deputy Director, Ministry of Commerce

Suhailu A. Usman
Chief Planning Officer, Ministry of Commerce

Muhammed Yau
Deputy Director, Development

KATSINA, KATSINA

Sirajo Aminu
Personal Assistant, Office of the Governor

Adamu B. Ibrahim
Commissioner, Ministry of Finance

Murtala Aliyu Kankia
Ministry of Justice

Sani Yahaya Wurma
Ministry of Justice

KEBBI, BIRNIN KEBBI

Halima Aliyu
Ministry of Justice

Muhammed Audie
Ministry of Justice

Abubakar Umar Bagudu
Ministry of Justice

Bashiru Bakuwai
Head of Department, Deed's Registry

Kudirat Diri
Ministry of Justice

Naziru Lukman
Zonal Head, Corporate Affairs Commission

Bandi Mohammed
Ministry of Finance

Abubakar M Zauro
Director (Collection) Inland Revenue, Board of Inland Revenue

KOGI, LOKOJA

A. A. Abubakar
Commissioner, Ministry of Commerce

Musa I. Ahmadu
Secretary to State Governor, Kogi State Government House

Aaron Baba
Special Adviser, Kogi State Government House

S. A. Olorunfemi
Commissioner, Ministry of Finance

KWARA, ILORIN

Kamaldeen Ajibade
Special Assistant to Executive Governor (Legal Matters), Kwara Government House

Bayo Ishola
Honorable Commissioner, Ministry of Land and Housing

M. O. Lawal
Director, Ministry of Finance

LAGOS, LAGOS

S. O. Aina
Ministry of Finance

Ben Akabueze
Commissioner for Finance, Ministry of Economic Planning and Budget

J. O. Omojokun
Lagos State Government

E. O. Oyegoke
Director (Economic Planning), Ministry of Economic Planning and Budget

Lawal Pedro San
Solicitor General, Lagos State Government

O. F. Soyemi
Ministry of Budget and Economic Planning

NASARAWA, LAFIA

Emmanuel Bako
Honorable Commissioner, Ministry of Planning

Muamu Adamu Gosifo
Director, State Planning Commission

Fatima A. Iyumoga
Nasarawa Investment and Property Development Company

Isa Y. Nayawo
Nasarawa State Planning Commission

D.C. Rikko
Ministry of Justice

Abigail Waya
Ministry of Justice

NIGER, MINNA

Hassan Abdullahi
Honorable Commissioner, Ministry of Investment, Commerce and Cooperatives

Amina Abdulrahman
Director General, Niger State Government House

Abubakar Chika Adamu
Director General, Governor Office, Niger State Directorate for Poverty Eradication

A S Bello
Commissioner, Ministry of Investment, Commerce and Cooperatives

Hosea A Bulus
Ministry of Investment, Commerce and Cooperatives

Rilwanu A Ibrahim
Ministry of Investment, Commerce and Cooperatives

Balikisu Labaran Kago
Ministry of Justice

Muazu B Mohammed
Commissioner, Ministry of Finance

Abdullah Suleiman
Director General, Niger State Investment Promotion Agency

OGUN, ABEOKUTA

Abiodun Misiliu Adelowo
Senior Town Planning Officer, Bureau of Urban and Physical Planning

Stephen Adewole
General Manager, Urban & Regional Planning

Sonia Akinbiyi
Deputy Chief Registrar, Ogun State Judiciary

I. A. Akogun
Bureau of Lands & Survey

Adeleke Ateyola
Director, Ministry of Finance

Orija Ayorinde
Ministry of Finance

E. O. Bamgboye
Bureau of Budget & Management

Olaniyan Bolaji
Bureau of Urban & Physical Planning

Adeboyejo Fatai
Bureau of Lands & Survey

James Oladele
Director of Development Control, Urban and Regional Planning Board

Lanre Saka
Ministry of Finance

Wole Sanni
Economic Adviser, Office of the Governor

J. O. Shotombo
Permanent Secretary, Ministry of Commerce

Kehinde Sogunle
Commissioner, Ministry of Finance

PUBLIC OFFICIALS

Kayode Sunmola
Director General, Governor's Office, Bureau of Management and Budget

ONDO, AKURE

Ayo Ige
Deputy Director, Ministry of Physical Planning and Urban Development

Afolabi Ojo Jimoh
Ministry of Finance

OSUN, OSOGBO

K. M. Akano
Ministry of Justice

A. A. Akin Taro
Ministry of Finance

S. A. Badimu
Ministry of Commerce and Industry

Ojo Moses
Commissioner, Ministry of Finance

O. Obisakin
Ministry of Justice

M. A. Ojo
Ministry of Justice

Adesiyan Joshua
Ministry of Finance

Taiwo Oyelade
Town Planner, Local Government Town Planning Office (Olorunda)

Kola Oyewale
Assistant Town Planner, Local Government Town Planning Office (Osogbo)

Ayomide Seriki
Commissioner, Ministry of Commerce and Industry

O. S. Yemi
Ministry of Commerce and Industry

OYO, IBADAN

S. O. Adetunji
Urban & Regional Planning

O. A. Adeyemi
Chief Town Planning Officer, Urban & Regional Planning

Olutoyin Akanmu
Permanent Secretary, Ministry of Finance

Adebola Akinlolu
Planning Commission

Makinde Akinola
Assistant Director,

K. K. Awokunle
Commissioner (Stamp Duty)

S. O. A. Ayandele
Director (Taxes)

Alhaji Madehin
Deed Registrar, Ministry of Lands and Housing

James Oladele
Director of Development Control, Oyo State Urban and Regional Planning Board

Oladotun Omokemi
Director, Housing Board

Olubunmi O Oni
Director, Ministry of Commerce

PLATEAU, JOS

Dmudu G. Gashi
Director, State Government Of Plateau

Helen Miner
Special Adviser, Office of Chief Economic Advisor

Davou Yakubu
State Planning Commission

RIVERS, PORT HARCOURT

Noble Egbe
Personal Assistant, Ministry of Justice

G. E. Ogundu
Director, Ministry of Commerce

Apollos D. Opi
Director, Ministry of Commerce and Industry

SOKOTO, SOKOTO

Lema Sambo-Wali
Ministry of Justice

TARABA, JALINGO

Benjamin Abwage
Ministry of Justice

Emmanuel Gowon
Ministry of Justice

Esther Tata
Ministry of Justice

ZAMFARA, GUSAU

Junaidu Abubakar
Ministry of Justice

Mukhtari Garba
Director, Ministry of Commerce

Sani Nassarawa
Ministry of Justice

GESELLSCHAFT FÜR TECHNISCHE ZUSAMMENARBEIT (GTZ)

Abdullah Jibrin Jalo

Margaret Joshua

Andre' Roenne

Sina Uti

UK DEPARTMENT FOR INTERNATIONAL DEVELOPMENT (DFID)

Gillian Rogers

PRIVATE PROFESSIONALS

Stephen Abar
Stephen Abar & Co.

Muritala Abdulrasheed
Nigerian Bar Association

Bamidele Abina
Dele Abina & Co.

Dafe Abobo
Dafe Abobo & Co.

Harold Aboloje
H. A. Aboloje & Associates

A. Y. Abubakar
Al-Mustapha & Co.

Mustapha Abubakar
Abubakar Mustapha & Associates

Asema Achado
Archtick Consultants

Gbemiga Adaramola

Mutui Adebayo
University of Ilorin, Faculty of Law

Adewuyi Adebola
Bola Adewuyi & Co.

Rasheed Adegbenro
Manufacturers Association of Nigeria

Toyin Adegoke

O. Adejumo
A. O. Musa & Co.

J. Adekoyejo

Wale Adelowo

M. A. Adeniyi

Olusegun Aderibigbe
Aderibigbe & Aderibigbe

Benson Aderoshin
Benson Aderoshin & Co.

Gbadebo Adesina
G. A. Adesina & Co.

Michael Adetola
Afribank Nigeria

Kunle Adetowubo
Kunle Adetowubo & Co.

J. I. Adeyanju
Ayo Ogundana & Co.

Kunle Adeyemi
Adeyemi, Oyeniyi & Co.

A. O. Adigun
Honesty Chamber

Biola Adimula
Biola Adimula & Co.

Elachi Agada
Greenfield Chambers

I. M. Agigi

Parks Agoni

Victor Aguku
V. C. Aguku & Co.

Edward Aigbangbee
Aigbangbee Law Firm

Jonathan Ainerua
Jonathan Ainerua & Co.

Mba Aja
Am Shelter Tropics

Esther Ajaero-Anyigor
Ebonyi Investment and Property Ltd

Umar S. B. Ajanaku
Yusuf O. Ali & Co.

Mike Aja-Nwachukwu

Ganny Ajape
Ganny Ajape & Co.

Segun Ajayi-Kadir
Manufacturers Association of Nigeria

Frank Ajero

Julius Ajibare

Mohammed Akanbi
University of Ilorin, Faculty of Law

Ikeazor Akaraiwe
Nigerian Bar Association

Olubanji Akinleye
Olu Akinleye & Co.

Olufemi Akintomiwa
Olufemi Akintomiwa & Co.

Thomas Akintubuwa
Akintubuwa & Associates

David Akomolade

A. S. Akpala
A. S. Akpala & Co.

Ekanem Akpan

David Alewu
Federal Psychiatric Hospital Calabar

Abdulwasi'u Alfa
A. A. Alfa & Co.

Abdul Aliyu
Adalchi Chambers

Otonye Tome Amachree
Amachree & Amachree

Joseph Amajuoyi
Okorougo Chambers

Joy Amene
Destiny Chambers

Junaidu Aminu
Aminu & Co.

Tocsin Anibaba
Fate Foundation

Tagbo Anieto
Oraegbunam Anieto and Co.

Emeka Anosike
Emeka Anosike and Co.

Akubue Jideofor Anselm
Nigerian Institute of Architects

Victor Okechukwu Anyanwu
V.O Anyanwu & Co.

John Arhor

G. Ashkeni

Ibrahim Atanda
Toye Coker Chambers

Danjuma Ayeye

Olusola Ayodele
Manufacturers Association of Nigeria

E. C. Azubuke
A. H. Usman & Co.

Safiyan Baba
Vice President, Manufacturers Association of Nigeria

Azubike Bakare

Linda Bala
Linda Bala & Co

Olu Bamisaiye

Mohammed Garba Bawa

Andrew Bekederemo
A. A. Bekederemo

Adbulganiyu Bello
Abdulganiyu Bello & Co.

Ayo Bello

M. B. Bello
PCB Associates

Collins Boleigha
Collins Boleigha & Associates

Job Jack Bot
Plateau Chamber of Commerce

Oshoma Brai
Swift Presentations Limited

Tonye Braide

E. C. Chia
E. N. Chia & Co.

M. G. Chinweokwu

G. I. Chionye
G. I. Chionye & Co.

Eric Chukwuka
Nigerian Institute of Architects

Caleb Dajan
Maksat Chambers

Umar Riskuwa Dakingari
Nasiru Ibrahim & Associates

Alfred Damun
Godiya Chambers

Ahmed Danbaba
Maidangana Chambers

Basheer Danbazau
Kano Chamber Of Commerce, Industry, Mines and Agriculture

Victor Daudu
DSU Associates

Nze Dike

C. N. Ebiringa

Ephraim Edem

Lekan Edunjobi
Manufacturers Association of Nigeria

Oja Egbai
Wisdom Chambers

Innocent Orji Egwu
Innocent O. Egwu and Co.

Ekanem Ekanem
Ekanem Ekanem & Co.

B. I. Ekeke
Ekeke Ekeke & Co.

Ama Elekwa

Casmir Elele
C. C. Elele & Associates

Steve Emelieze
Renaissance Practitioners

John Enabalulu
J. O. Elenbalulu

Marc Enamhe
Marc Enamhe & Chambers

Okwudili Enekwe
Kanu B. Okpalaeke & Co.

Binanu Esthon
V. H. Bamaiyi & Associates

Otu Etukudoh

Herbert O. Eya
Mogboh, Offiah and Co.

Joseph Eze
Eze Eze & Co.

Bamidele Falako

Aliu Fatai
Ijebu Chamber Of Commerce

Yomi Festus
Account Officer, Asaba Chamber of Commerce

Tokunbo Fowode

Sani H. Garin Gabbas
S. H. Garin Garbas & Co.

E. O. Gbanigo

Jim Gotom
Gantang Solicitors

Abubakar Yusuf Gumel
A. Y. Gumel & Co.

A. A. Gusau

Moh'd Adamu Gusau

Mode Gwandu
MOW&T,

A. Hakeem Usman
A. H. Usman & Co.

Zanna Hamza
M. A. Bulama & Co.

Chellom Hannatu
Plateau Chamber of Commerce

Aduke Harcourt

Titus Hyundu
Imbwaseh, Kenon, Hyundu & Associates

Shina Ibiyemi
Legal Aid Council of Nigeria - Kwara State

Abdul Ibrahim
A. A. Ibrahim & Co.

Huwaila Ibrahim
Ganny Ajape & Co.

Sani Khalil Ibrahim
KASEPPA, Kano

PRIVATE PROFESSIONALS

J. A. Idachaba

Norris Ifinedo
Afribank Nigeria

Theophilus T. Igba
A. A. Ijihor & Co.

Joseph Iku

Anthony Iroagalachi
Iroagalachi & Co.

C. C. Irorakpor
Irorakpor & Co

Razaq Isenalumhe
R.O. Isenalumhe & Co.

A. Ishole
Kwara Chamber of Commerce

David Iweta
President, Chamber of Commerce & Industry

Kanayo Iwuchukwu
Executive Secretary, Manufacturers Association of Nigeria

M. A. Jajere

Idris Jalo
I. T. El-Sudi & Associates

Tayo Jegede
Tayo Jegede & Co.

Andrew Audu Jibrin
Andrew Jibrin & Co.

Nuraini Jimoh
Nuraini Jimoh Chambers

Lawrence John
Care Chambers

A. Kamasco

Mustapha Kankia

Yusuf Zubair Kazaure

Muheeb Komolafe
M. I. Komolafe & Co.

Yop L. Kwa-Gbadamosi
Plateau Investment and Property Development, Ltd

Francis Kwede
F. M. Kwede & Co.

Luqman Laoye
Luqman Laoye & Co.

Bello Lateef
Water Corporation

Ibrahim Lawal
Olujimi & Akeredolu

Gabriel Lelekumo
Warri Chamber of Commerce

A. Liadi

Declan Obioma Madu
Declan O. Madu and Co. Chairman

Dennis Maduechesi
D.U Maduechesi & Co.

Patrick L. Mafuih
Plateau Chamber of Commerce

Bode Makinde
Bode Makinde & Co.

Ezennaya Mark
Arkigram Associates

Rita Marley Alilibo

S. G. Matankari

L. Mgbale

Anthony Mogboh Jnr.
Mogboh & Co.

A. Mohammed

Haruna Mshelia
Haruna Mshelia & Co.

Usman Muhammed

David Muo

Idio Joseph Nabuya
Plateau Chamber of Commerce

A. Natsa

Iwo Ndukwe
Space design Partnership

Awa Nkoli
Nkoli I. Obi & Co.

A. G. E. Nwachukwu
A. G. E. Nwachukwu and Co.

Nzube Nwankwo
Lex Rehoboth Associates

Uche Nwigwe
Uche Nwigwe & Co.

Chidi Nworka
Chidi B. Nworka and Associates

Emeka Obegolu
Greenfield Chambers

Afam Obi
Afam Obi And Co.

Afam Obiago
President, Asaba Chamber of Commerce

Emmanuel Obile
Obile & Co.

Edeji Obinna
Kabiru Yallilu & Co.

Jacob Ochidi
J. E. Ochidi & Co.

K. Odeyemi

E. O. Odo
Ever Odo & Co.

Ukari Oduma
Ukari Oduma & Associates

Richard Ogbechie
Metuuselah & Associates

Kayode Ogundana
Olukayode Ogundana & Co.

Luke Ogundele
L. O. Ogundele & Co.

Obafunso Ogunkeye
Ogunkeye & Ogunkeye

Michael Ogunrayewa

Kayode Ogunti
Ekeke Ekeke & co

Ben Oji
Ben Oji & Associates

Anthony Okah
A. Okah and Co.

Charles Okolo
The Guardian

P. E. Okonma
Vicepresident, Asaba Chamber of Commerce

D. U. Okorowo
D.U. Okorowo and Co.

Ferdinand Okotete
Ferdinand Okotete & Co.

Reuben Okoya

Festus Okoye
Akika, Okoye & Mann

Belma Okpokiri

Dennis Okwakpam

V. F. Olaifa
Akure Chamber of Commerce, Industry, Mines and Agriculture

Oluwole Olukunle
J. O. Olukunle & Co.

Philip Olusola
God's Foundation Chambers

Tajudeen Olutope
Rex Advocatus

Anu Olutowose
Manufacturers Association of Nigeria

B. A. Oluwadiya

M. E. Omatsone
Utimits & Mira Associates

E. I. Omokaye
Acroplan Consultants

Ayuba Omokhuwa
A. O. Giwa & Associates

Femi Omole

Bamidele Omotoso
Bamidele Omotoso & Co.

Ebiyerin Omukoro
E. G. Omukoro & Co

Adetunji Onabawo
Adetunji Onabawo & Co.

Adedeji Onisomi
Akure Chamber of Commerce, Industry, Mines and Agriculture

Kennedy Onwusi

Shedrack Onwusonya
ArcShades Associates

O. J. Onyeamah

Steve Onyechi Ononye
Onyechi Ononye & Co.

Victoria Onyeonoro
Emeka Nwangwu and Associates

A. Opaluwa

William Opara
Osuoha, Opara & Co.

Oluwasegun A. Osidipe
Manufacturers Association of Nigeria

O. J. Otitoola

Omolade Owoseni
Akure Chamber of Commerce, Industry, Mines and Agriculture

Wale Oyejula
Adam Smith

Ayodele Oyelowo

O. Maku Rahman
Abeokuta Chamber Of Commerce

S. A. Raine

Ibrahim Safiyanu
Nassarawa Chamber of Commerce, Industry, Mines And Agriculture

Adamu Salihu
Chamber of Commerce, Industry, Mines And Agriuclture

Leah Samson
K. Magaji & Associates

Asafa Sanusi
A. O. Sanusi & Co.

Christopher Shaki

John Shallangwa

Habib Suhail
Executive Secretary, Manufacturers Association of Nigeria (Man Kaduna)

Musa Sulaiman
Summit Chambers

Usman Sule
Sumfah Consults

Ololade Suleiman

Adamu Tahir

Jonathan G. Taidi
Century Chambers

M. T. Tsuwa
M. A. Tsuwa & Associates

Augusta Uche K-Chuku
Apple Solicitors

Paschal Uche Onuorah
P.U.P Onuorah & Co.

Usen Udoh

Tony Ukam
Wisdom Chambers

Obriks Uloho
Obriks Uloho & Co.

Sani Umar
Manufacturers Association of Nigeria

M. J. Umaru
M. J. Umar & Co.

A. Wanigi

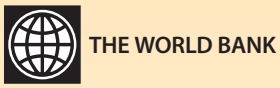
Yakubu Yenusa

L. M. Yusuf

M. B. Yusuf

Donatus V. Zuanah
D. V. Zuanah & Co.

Investment Climate Advisory Services
of the World Bank Group



HTTP://SUBNATIONAL.DOINGBUSINESS.ORG