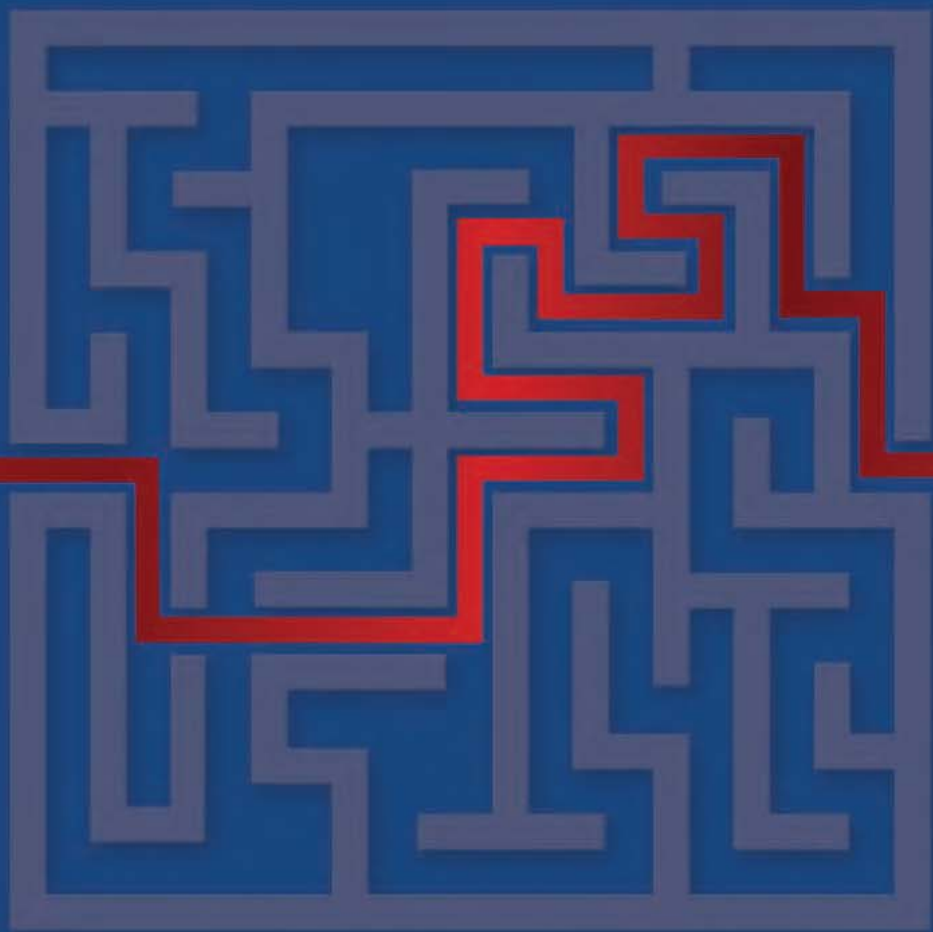


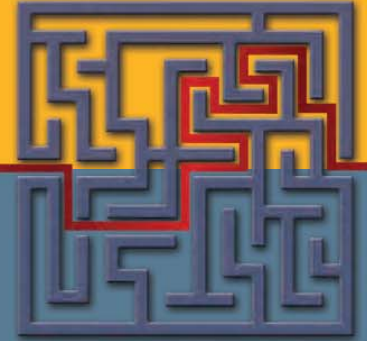


Doing Business in Nigeria **2014**

Understanding Regulations for Small
and Medium-Size Enterprises



Comparing Business Regulations for Domestic Firms
in 35 States and Abuja, FCT with **188** other Economies



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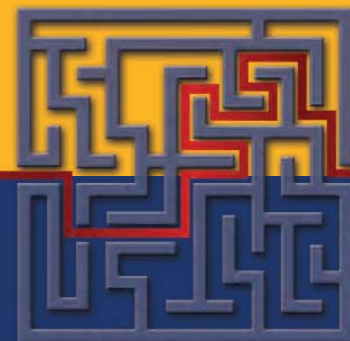
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Contents



Doing Business in Nigeria 2014 is the third subnational report of the *Doing Business* series in Nigeria. In 2008, quantitative indicators on business regulations were created for 10 locations in addition to the country's largest business city. *Doing Business in Nigeria 2010* expanded the analysis to all 36 Nigerian states and Abuja, the Federal Capital Territory (FCT). In each state, the report measured the largest business city. *Doing Business in Nigeria 2014* updates the data presented in 2010 and measures progress over the past 4 years. The locations are compared against each other, and with 188 other economies worldwide.

Comparisons with other economies are based on the indicators in *Doing Business 2014, Understanding Regulations for Small and Medium-Size Enterprises*, the eleventh in a series of annual reports published by the World Bank Group. The indicators in *Doing Business in Nigeria 2014* are also comparable with 355 cities from 55 economies benchmarked in other subnational *Doing Business* studies. All data and reports are available at www.doingbusiness.org/subnational.

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 were selected because they cover areas of local jurisdiction or practice. The indicators are used to analyze economic outcomes and identify what reforms have worked, where and why. The data in *Doing Business in Nigeria 2014* are current as of March, 2014.

This project is implemented by the Global Indicators Group (Development Economics) of the World Bank Group in collaboration with Growth and Employment in States (GEMS). GEMS is an employment project supported by Nigeria's Federal Ministry of Industry, Trade and Investment (FMITI) and funded by the World Bank Group and the United Kingdom's Department for International Development (DFID). The project is aimed at job creation and increased non-oil growth in specific high potential value chain sectors.

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Overview

Nigeria accounts for nearly one-fourth of Sub-Saharan Africa's population and is the seventh most populous country in the world.¹ As of April 2014 it is recognized as the continent's largest economy.² Ranking 13th in the world for its oil production, Nigeria is Africa's largest producer and holds the second highest proven oil reserves on the continent, after Libya.³ Since embarking on the path of democracy in 1999, the country has enjoyed consistent and high economic growth rates—in the range of 6-8% annually in recent years.⁴ With its large reserves of human capital and natural resources, a large domestic market, and strong economic fundamentals, Nigeria is well positioned to join the group of large emerging markets and be the continent's powerhouse. Nigeria has already been identified as one of the promising "MINT" economies (an acronym for Mexico, Indonesia, Nigeria and Turkey), following the BRICs on the path to develop rapidly.

But growth has come with rising inequality, widening regional disparities and only modest inroads into poverty reduction—more than 60% of the population still lives in extreme poverty.⁵ And with 1 in 5 Nigerians unemployed, the country is not maximizing its human capital potential. Youth unemployment is particularly worrisome with 37.7% of 15-to-24-year-olds unemployed and 22.4% of 25-to-44-year-olds in the same situation.⁶

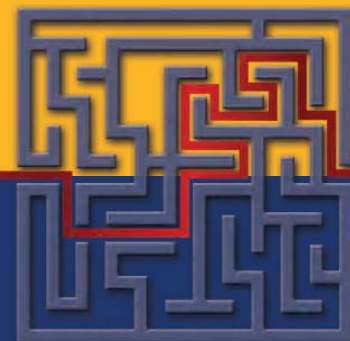
Creating jobs to improve the well-being of all Nigerians—regardless of their personal circumstances and location—is a key component of the country's development agenda set out in *Vision 20:2020*. Good governance and effective institutions at the federal and state levels are critical to strengthening a business climate that encourages inclusive growth. Nigeria's

36 states and Abuja, Federal Capital Territory (FCT) operate with a high degree of autonomy. Without commensurate reforms by state governments, the macroeconomic and institutional reforms of the federal government cannot produce the desired impact to create employment and reduce poverty.

Since 2008, the *Doing Business in Nigeria* series has been documenting efforts to make it easier for entrepreneurs to start and operate a business across Nigeria. The idea is simple: if entrepreneurs spend fewer resources on regulatory burdens, they will have more time to devote to productive activities. If laws and regulations are clear, accessible and transparent—and, at the same time, enforceable before the courts—entrepreneurs are more comfortable doing business with people they do not know, expanding their client and supplier networks. The results of the efforts of reform-minded states—documented in this report series—are inspiring other states to learn from their experience and emulate their successes.

WHAT DOES DOING BUSINESS IN NIGERIA 2014 MEASURE?

Lagos represents Nigeria in the annual *Doing Business* report that compares 189 economies globally. Yet, in a large federal country like Nigeria, entrepreneurs face different local practices and regulations depending on the city and state where they establish their businesses. *Doing Business in Nigeria 2008* for the first time went beyond Lagos to measure the regulatory and business environment in the largest business city of 10 additional locations. *Doing Business in Nigeria 2010* expanded the study to measure the largest



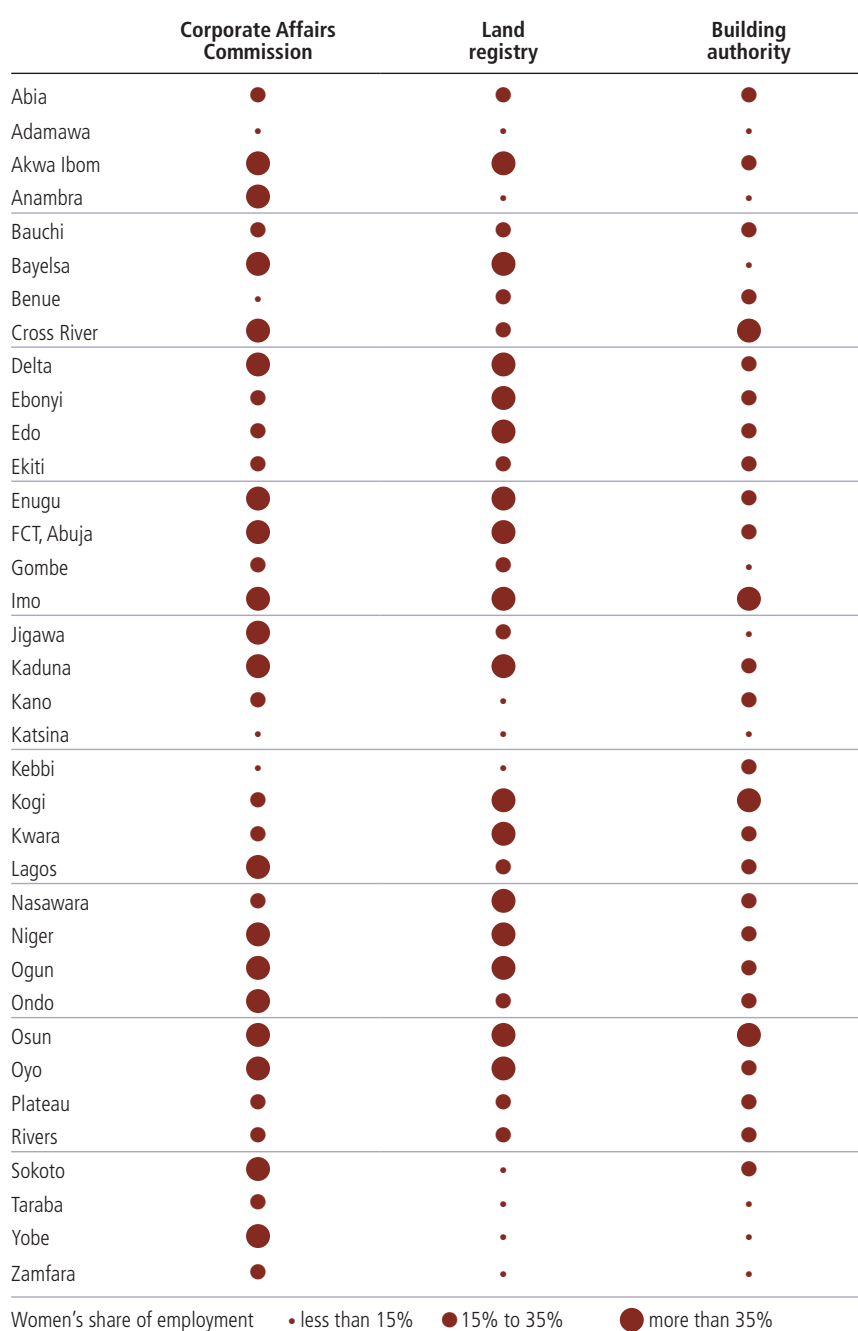
- This third report of the *Doing Business* series in Nigeria updates the data presented in 2010 for 35 states and the capital and measures progress in 4 regulatory areas: starting a business, dealing with construction permits, registering property and enforcing contracts.
- For the first time, the report compares gender-specific employment data from the main public agencies in charge of administering the benchmarked areas: land registries, building authorities and Corporate Affairs Commission branches in each state.
- Twenty-two states have improved in at least 1 of the 4 areas measured—with Cross River, Ekiti, Niger, Ogun and Rivers making the biggest strides.
- While most reform efforts focused on reducing the complexity and cost of regulatory processes—including improvements in internal processes of federal and state agencies—several states also focused on longer-term judicial reforms to strengthen the legal institutions for contract enforcement.
- Due to varying state regulations and practices and the uneven implementation of federal legislation, Nigerian entrepreneurs face different regulatory hurdles, depending on where they establish their businesses.
- Despite improvements, challenges persist: no single state ranks at the top in the areas measured.
- Sharing local good practices and coordinating better between federal and state governments are critical to improving the business environment for all Nigerians.

business city of all 36 states and Abuja, FCT. This third edition of the *Doing Business in Nigeria* series updates the data presented in *Doing Business in Nigeria 2010*.⁷ The series focuses on 4 topics—starting a business, dealing with construction permits, registering property and enforcing contracts. These indicators measure the procedural efficiency of a simple business case, by following an entrepreneur from the beginning to the end of a basic regulatory process, recording every step and the associated time and cost. The data is based on the relevant laws, regulations, decrees and fee schedules, as well as questionnaires administered through more than 430 local experts, including lawyers, business consultants, accountants, architects, building engineers, government officials, and other professionals routinely administering or advising on legal and regulatory requirements.⁸

Reviewing the findings in isolation may show unexpected results. Some states that appear less dynamic may rank surprisingly high here, while others may be attracting a great deal of investment, but may show less progress. This is because *Doing Business* does not measure all aspects of the business environment that matter to firms or investors—nor does it measure all factors that affect competitiveness. Other important drivers of investment and growth—such as macroeconomic stability, security, corruption or the size of the market—are not benchmarked. However, more efficient regulations that are accessible to all and clearer property rights, as included here, could encourage more entrepreneurship across Nigeria. The specific aim of this report is to measure the regulation and red tape relevant to the life cycle of a small to medium-size domestic firm. In Nigeria, such firms constitute more than 90% of businesses, yet contribute less than 10% to the nation's GDP—a much lower proportion than seen in countries at similar levels of development.⁹

Nigeria's economic growth and development depends upon successfully utilizing its workforce, both male and female. Currently, fewer than 1 in 5 entrepreneurs is a woman and the share of female entrepreneurs is higher in the informal sector than in the formal sector.¹⁰ This project included a survey

FIGURE 1.1 How well are women represented in the workforce of the Corporate Affairs Commission, land registries and building authorities across Nigeria?



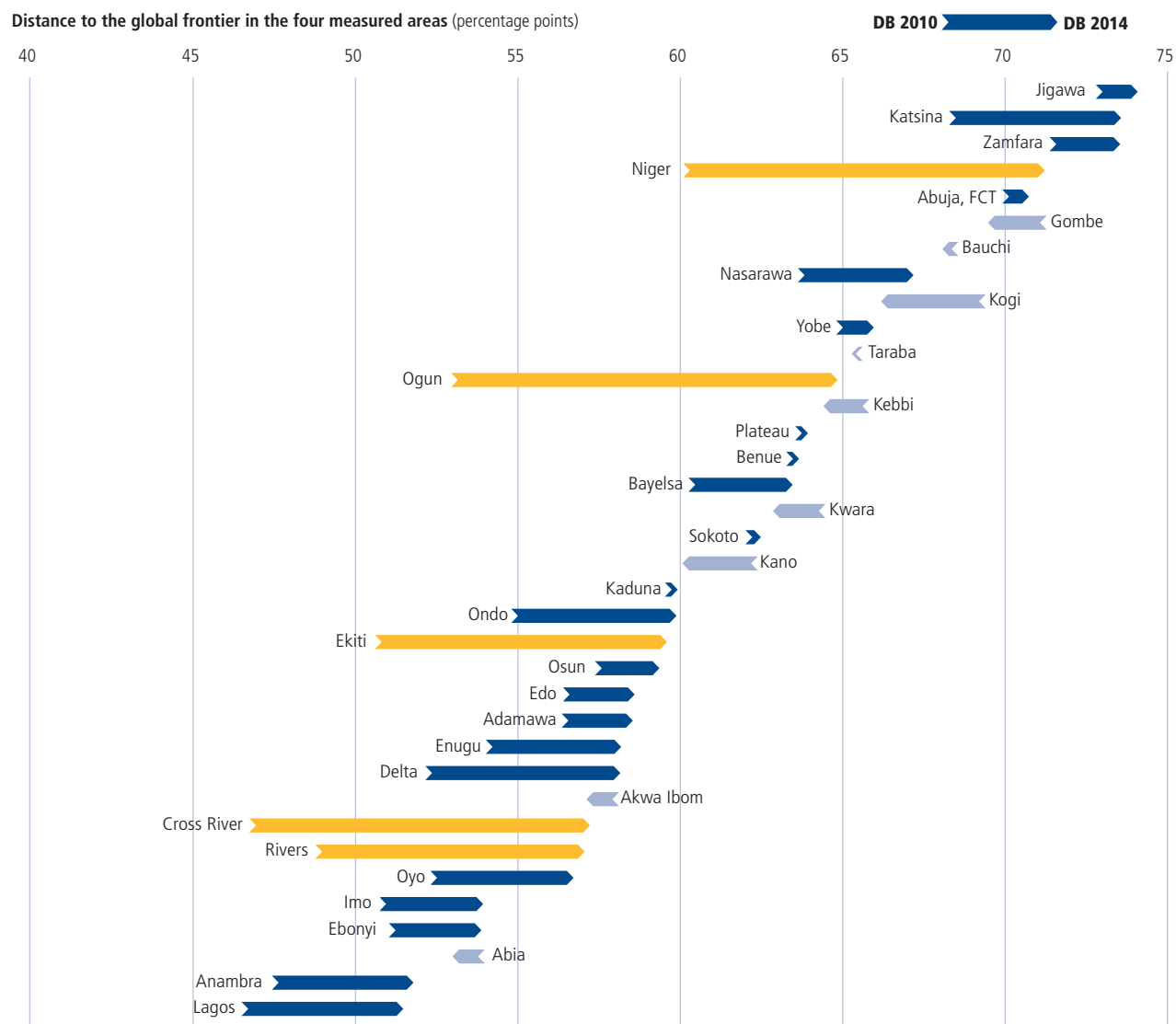
Note: See "Annex: Gender representation among staff and management in the Corporate Affairs Commission, land registries and the state building authorities" for more details.

Source: *Doing Business* database—obtained between June 2013 and February 2014 through consultative meetings with authorities from 35 Nigerian states and Abuja, FCT.

to collect gender-specific employment and other data from the main agencies involved in starting a business, dealing with construction permits and registering property.¹¹ While there are no legal or regulatory restrictions for Nigerian women to start or operate a business, public agencies in more than two-thirds of the states reported that it is common

for a female entrepreneur to send a male representative on her behalf. Dedicated desks or service areas for female clients could be one way to improve the quality of service delivery for female entrepreneurs. According to the data obtained from 108 institutions across the 35 states and Abuja, FCT, women are actually underrepresented among

FIGURE 1.2 Ogun, Niger, Cross River, Ekiti, and Rivers narrowed the gap with the regulatory frontier of good practices the most since 2010



Note: The “distance to frontier” measure shows how far, on average, a state is at a point in time from the best performance achieved by any Nigerian state on each of the 4 *Doing Business* indicators measured in Nigeria since 2010. The measure is normalized to range between 0 and 100, with 100 representing the frontier. The horizontal bars show the change in the distance to frontier from 2010 to 2014. The 5 states improving the most are highlighted in yellow. Today, the national frontier of good practices for starting a business is defined by Abuja, FCT (6 procedures and 17 days) and Kebbi (cost of 44.4% of income per capita); for construction permits, by Adamawa (8 procedures), Jigawa (28 days), and Sokoto (cost of 173.5% of income per capita); for registering property, by Kwara (7 procedures), Jigawa (23 days) and Yobe (cost of 7.7% of the property value); and for enforcing contracts, by Lagos (40 procedures), Jigawa (261 days) and Katsina (cost of 26.0% of the claim value).

Source: *Doing Business* database.

the employees of the public institutions surveyed.¹² Only in one-third of the institutions do women make up more than 35% of the workforce. Five institutions—the state building authorities in Taraba and Zamfara, the land registries in Yobe and Kebbi and the Corporate Affairs Commission in Kebbi—report having no female employees on their payroll at all (figure 1.1). Osun and Imo are the only 2 states where women represent 35% of

staff or more in all public institutions surveyed. The gender gap is even wider at decision-making level (see Annex). Systematically collecting gender-disaggregated data could provide useful insights about the types of economic activities in which women engage, allow the monitoring of how applications are processed depending on the applicant’s gender, and help identify special challenges that women applicants may be facing.

WHAT HAS IMPROVED SINCE 2010?

The “distance to the frontier” measure shows how much the regulatory environment for local entrepreneurs in each Nigerian state has improved since 2010 with the “frontier” representing the best performance by any state on each of the 4 *Doing Business* indicators measured (figure 1.2).

TABLE 1.1 While most reform efforts focused on the complexity and cost of regulatory processes, some states strengthened the legal institutions for contract enforcement

State	Starting a business	Dealing with construction permits	Registering property	Enforcing contracts
Abia	X			
Anambra	✓			
Bauchi		X	✓	
Bayelsa	✓			
Benue		X		
Cross River	✓	✓	✓	
Delta	✓	✓		
Ebonyi	✓			
Edo	✓	X		
Ekiti	✓	✓	✓	✓
Enugu		✓	✓	
Gombe		X		
Imo	✓			
Jigawa		X	✓	
Kaduna				✓
Kano		X	X	
Katsina	✓		✓	
Kebbi		X		
Kogi		X		
Kwara		X		
Lagos	✓			
Nasarawa	✓			
Niger			✓	✓
Ogun	✓	✓	✓	
Ondo			✓	
Oyo		✓		
Plateau	X	✓		
Rivers		✓	✓	
Sokoto		X		
Taraba	X		X	
Yobe		X		
Zamfara	✓	X		

✓ *Doing Business* reforms making it easier to do business

X *Doing Business* reforms making it more difficult to do business

Source: *Doing Business* database.

Most states have improved their business environment since 2010—some despite significant security challenges. However, 5 states stand out: Ogun, Niger, Cross River, Ekiti and Rivers introduced several high-impact reforms that narrowed the gap to best practices the most. On the other side of the spectrum, 9 states¹³ made processes more cumbersome,

slower or less affordable for entrepreneurs and moved further away from the national frontier as compared to 2010.

Ogun, one of the lowest ranked overall performers in both 2008 and 2010, is one of the top reforming states in 2014. Thanks to a concerted effort across federal and state authorities, and in

collaboration with the private sector, Ogun improved on 3 of the 4 *Doing Business* indicators benchmarked. The construction permitting system was radically overhauled, with the state government authorities decentralizing the approval system and a new committee monitoring delays. Building permit applications and payments can now be made simultaneously in district offices. Private professionals issue environmental-impact assessments in accordance with the conditions and templates set out in a framework agreement. The certificate of completion is issued on the spot, immediately following the final inspection. To start a business, entrepreneurs no longer need to travel to Ibadan or Lagos, thanks to the Federal Inland Revenue Service's new stamp duty office in Abeokuta. In addition, the state Ministry of Commerce and Industry abolished the requirement for a physical inspection of the business premises—today, a proof of company address, such as a utility bill, is sufficient. A business premises permit is issued on the spot upon payment of the fee. Finally, Ogun's Bureau of Lands digitized property records with the aim of enabling electronic title searches and making property registration more efficient. The lesson learned: what gets measured, gets done.

All in all, 34 improvements were recorded, of which 13 focused on starting a business, 8 on dealing with construction permits, 10 on registering property, and 3 on enforcing contracts (table 1.1).

For the first time, *Doing Business in Nigeria 2014* recorded reforms that make it easier to start a business. In 9 states, it is now faster to register a new business with the Corporate Affairs Commission. Hiring new staff, computerization, management training, opening a bank desk within the Corporate Affairs Commission premises, and better tracking of applications were some of the measures taken to increase efficiency. By opening stamp-duty and tax registration offices in several new locations, the federal tax authority eliminated the need to travel out of state in Anambra, Cross River, Edo, Kwara, Nasarawa, Ogun, and Zamfara. In Anambra, Delta, Lagos and Ogun, registering the business premises with the state authorities was streamlined.

Rivers, Delta and Oyo overhauled their construction building permit processes. Thanks to one-stop centers, the time to issue a building permit dropped by 50% or more in these states. In Rivers, the one-stop center enhanced the cooperation among the different agencies involved in the construction permitting process. All pre-construction approvals—such as the environmental impact assessment report, the site analysis report, the soil investigation report and the project drawings—are now obtained much faster—in less than one month instead of two months 4 years ago—since officials responsible for reviewing the application get together to give their approvals, instead of having the application move from one office to another. In Oyo, the new single application form known as the “Harmonized Demand Notice” allows applicants to submit the documents required for pre-construction approvals and the building permit at the same time. The one-stop center in Delta installed a dedicated window for business-related construction applications. Now entrepreneurs can find all the information and guidance they need to obtain construction permits in one place. Increased use of technology made dealing with construction permits in Cross River more efficient.

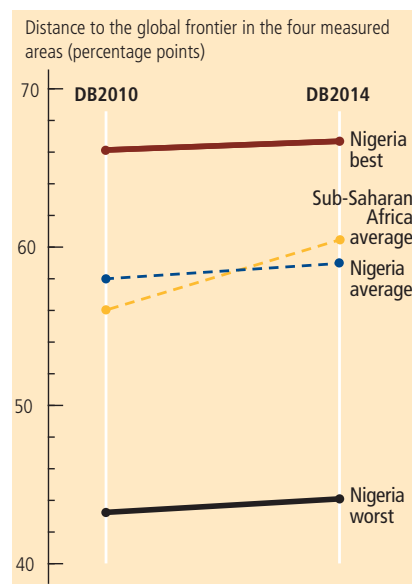
Several states reduced the time to register property by delegating consent for property transfers from the governor to various officials—such as a special assistant in Bauchi, the general attorney in Rivers, or the Commissioner of Lands in Niger. In addition, an increased use of information and communication technology—including the digitization of land records and the introduction of Geographical Information Systems (GIS), which capture and store land information in a digital format—made land registries more efficient in Cross River, Niger and Rivers. The establishment of a Geographical Information Systems agency in Cross River reduced the time to register property by 22 days, down from 70 days in 2010. These reforms speed up the process of searching the property title for encumbrances and increase title security. Other states made registering property more affordable. Registering property became more affordable after the fee to obtain the governor’s consent on a transaction was decreased from 15% to 10% of the property value in Ekiti

and from 10% to 5% in Ondo. Katsina cut its stamp duty fee in half—from 3% to 1.5% of the property value.

Most of the reforms documented focused on streamlining the complexity and cost of regulatory processes, including improvements in internal processes of federal or state agencies. These reforms are the most common not only in Nigeria, but around the world: less than a third of the reforms recorded by *Doing Business* in 2012/13—and in the years since 2009—focused on strengthening legal institutions. However, across Nigeria, individual state initiatives also focused on longer-term judicial reforms: since 2010, 8 states have changed courts’ monetary jurisdiction in an effort to direct more cases to lower courts. States also continue to modernize their civil procedure rules. Ekiti, which formerly operated under the civil procedure rules of Ondo State, introduced its own rules in 2011. The case management provisions introduced by the new rules helped reduce average trial times by 8 months. Some states added more judges in an effort to reduce court congestion. In Niger, more new judges were appointed, while experienced ones were moved to courts facing the greatest backlogs. As a result, the time to enforce a contract was reduced by 54%—from 1,130 days in 2010 to 515 days in 2014. Finally, in 2013, the Chief Justice introduced a directive empowering the National Judicial Council to monitor and evaluate the performance of all state high courts. The directive is supported by disciplinary action against judges who fail to meet set targets.

Leadership at the federal level is needed to roll out administrative improvements in federal agencies, such as the Company Affairs Commission, where more than half of the total time it takes to start a business is spent on name reservation and company registration in most states. In addition, a more visible role and coordination with the states is necessary to ensure the implementation of legal changes at the local level across the country. For example, Nigeria’s *Companies Regulation 2012* makes the use of legal practitioners in the business-registration process optional. However, according to public officials and practitioners alike, the language used in the regulation is so ambiguous

FIGURE 1.3 There is lack of convergence between the worst performing states and the top performers and, on average, they are falling behind their regional peers

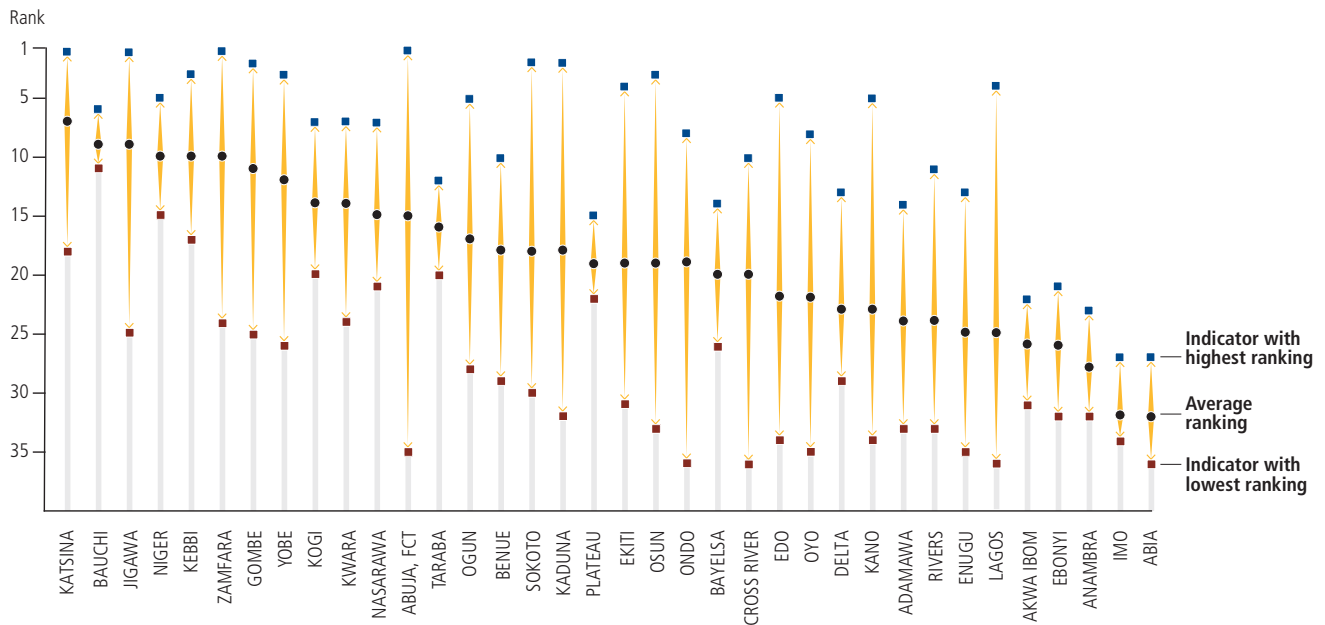


Note: The global “distance to frontier” illustrates the distance between a state’s current performance and a measure of the best performance (the frontier) in each of the 4 indicator sets (starting a business, dealing with construction permits, registering property and enforcing contracts). For example, the global frontier for starting a business is determined by New Zealand for time (0.5 days), Canada and New Zealand for number of procedures (1), Denmark and Slovenia for cost (0% of income per capita), and so on for the other indicators.

Source: *Doing Business* database.

that the authorities still require that the incorporation forms be reviewed and signed by a legal practitioner. Recently the Corporate Affairs Commission launched a communications campaign in conjunction with the Nigerian Investment Promotion Agency called “Running a Business in Nigeria.” The objective is to raise awareness of this reform and promote the benefits of formalization. Other examples include older laws that are implemented unevenly across states: according to the federal Stamp Duty Act of 1939, the stamp duty should be 2% of the property value for property transfers between businesses. In practice, only 7 states charge 2% while most states charge 3%. According to the Capital Gains Tax Act of 1990, capital gains are taxed at 10% of the profit. However, several states levy the tax as a percentage of the property value rather than the gain.

FIGURE 1.4 A state's regulatory environment may be more business-friendly in some areas than in others



Source: Doing Business database.

COMPARING BUSINESS REGULATIONS ACROSS 35 STATES AND ABUJA, FCT

Differing state regulations and practices and the uneven implementation of federal legislation drive notable differences in commercial regulations across the states (figure 1.3).

Starting a business

Across Nigeria, starting a limited liability company requires on average 10 procedures over 33 days, similar to the regional average in Sub-Saharan Africa. At 54.9%, the average cost to start a business in Nigeria is below the regional average of 67.4%. Under a unified legal framework, the Corporate Affairs Commission is the main authority in charge of business incorporation. It has branches in all 36 states, some of which are more efficient than others. In addition, business owners have to comply with state-level postincorporation requirements, such as registration with state tax authorities and registration of business premises. Starting a business is easiest in Abuja, FCT, where it takes only 6 procedures over 18 days. Since Abuja, FCT is not a state, there are no additional state-level requirements to

comply with. By contrast, in Ondo, the 12 requirements take 40 days. In almost all states, more than half of the total time is spent on name reservation and company incorporation with the Corporate Affairs Commission. Although entrepreneurs apply for business registration at the Corporate Affairs Commission branch in their state of residence, the certificate of incorporation itself is issued at headquarters in Abuja, FCT by the Registrar General. The cost of starting a business varies from around 45% of income per capita in Edo and Kebbi to more than 70% of income per capita in Oyo. On average, almost half of the total costs are legal fees. Although a recent amendment to the company law made the use of professional intermediaries optional, most entrepreneurs still hire a lawyer to start a business. Cost variations are also driven by differences in the fees charged by state authorities¹⁴ for registration of the business premises. The fee ranges from NGN2,000 (US\$13) for a medium-size limited liability company in Kebbi, Ekiti and Zamfara to NGN50,000 (US\$321) in Oyo where a fixed fee is applied to all start-ups.

Dealing with construction permits

The requirements to obtain the necessary approvals to build a simple commercial warehouse and connect it to utilities vary significantly across Nigeria. Dealing with construction permits takes 8 procedures in Adamawa, but 22 in Ebonyi. The underlying differences in steps required stem mainly from the number of preconstruction approvals and inspections carried out during the construction phase. For a 30-week construction project—as measured by the *Doing Business* case study—in Adamawa no inspections would take place, while in Ebonyi inspectors would visit the construction site 12 times. Although the average time required to deal with construction permits in Nigeria is 63 days—significantly faster than the Sub-Saharan Africa average (171 days)—there are considerable variations across states. Complying with formalities to build a warehouse takes just 32 days in Jigawa. The same process takes over 3 times longer in Adamawa, Akwa Ibom, Kaduna and Lagos. Variations mainly stem from the time it takes to obtain a building permit. Among the 35 states and the capital, it is cheapest to deal with construction permits in Sokoto (173.5% of income per capita) and most expensive in Lagos (3,504.9% of income per capita).

The main drivers of variations in cost are building permit fees and connections to utilities—constituting, on average, 33% and 54% of total costs, respectively.

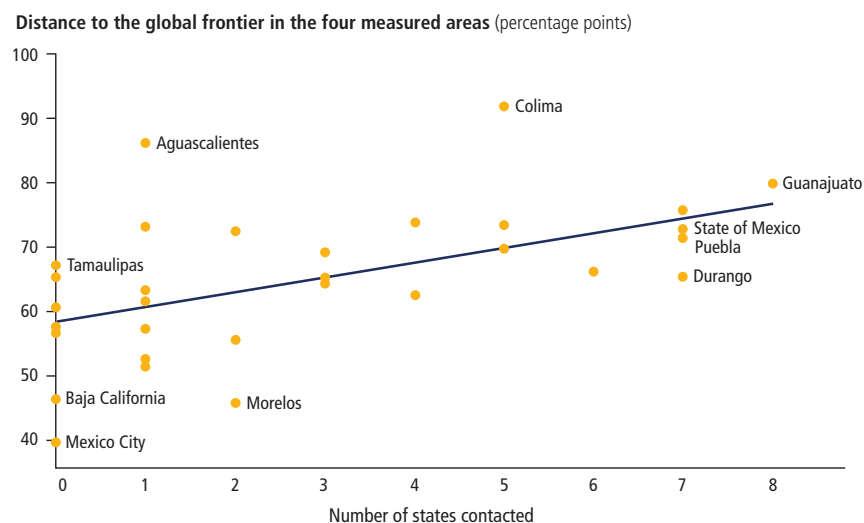
Registering property

On average, in the 35 Nigerian states and Abuja, FCT, an entrepreneur has to go through 11 procedures over 78 days, and pay 15.8% of the value of the property to transfer a property. This makes Nigeria one of the most difficult and expensive places to register property in the world, as measured by *Doing Business*. Yet, when analyzing the 35 states and the capital in detail, wide subnational differences emerge. Registering property is easiest in Zamfara, where it takes 9 procedures, 31 days, and 8.0% of the property value. By contrast, in Abia, the same process takes 13 procedures, 108 days, and 15.9% of the property value. The time is largely dependent on a single requirement: the state governor's consent, which accounts for 65% of the total time, on average. Depending on whether or not the power to consent has been delegated to another government official, the delay varies from 4 days in Gombe to 6 months in Anambra or Kebbi. On average, legal fees account for almost half of the total cost to register property. The following fees are required in all states but their amount differs significantly: search fee, consent fee, registration fee, stamp duty and legal fees. For example, the consent fee is a flat NGN 1,000 (US\$6) in Taraba and NGN3,000 (US\$19) in Bauchi and Zamfara, while in Delta it is set at 15% of the property value. The registration fee varies from NGN2,500 (US\$16) in Akwa Ibom to 5% of property value in Bauchi, Kano, Sokoto and Taraba. The federal Stamp Duty Act sets the stamp duty at 2% of the property value for commercial properties, but in practice only 7 states follow this guideline. Twenty-two other states charge 3%, Nasarawa charges 0.75%, Niger 1%, while the Edo authorities charge 5%, more than double the federal guideline.

Enforcing contracts

On average, it takes 484 days and costs 38.6% of the claim value to resolve a commercial dispute across Nigerian states. This is nearly 6 months faster and 12.5 percentage points cheaper than

FIGURE 1.5 States that strive the most to maintain an active dialogue with their peers have a better business regulatory environment



Note: The correlation between the distance to frontier and the number of states that were contacted by other states is 0.53 and the relationship is significant at 1%.

Source: *Doing Business* database—obtained in November 2013 during consultative meetings with authorities from Mexican states.

the Sub-Saharan African regional average. Court efficiency varies throughout Nigeria due to differing caseloads and backlogs in state courts. Time, which shows the greatest variance in trial and judgment duration, ranges from just under 9 months in Jigawa to more than 2.5 years in Enugu. The cost of resolving a commercial dispute, largely driven by attorney fees, varies from 26% of the claim value in Katsina to a whopping 92% in Lagos. Globally, Nigerian courts remain competitive in the time required to file a claim. On average, throughout Nigeria, filing and service takes 19 days—but as little as 1 week in Akwa Ibom, Delta, Ekiti and Ondo. The greatest delays occur at the trial and judgment phase, which take, on average, 13 months. Although the enforcement of judgment is governed by a national act, enforcement time varies widely—from just 3 weeks in Akwa Ibom and Niger to 7 months in Enugu.

LEARNING FROM EACH OTHER

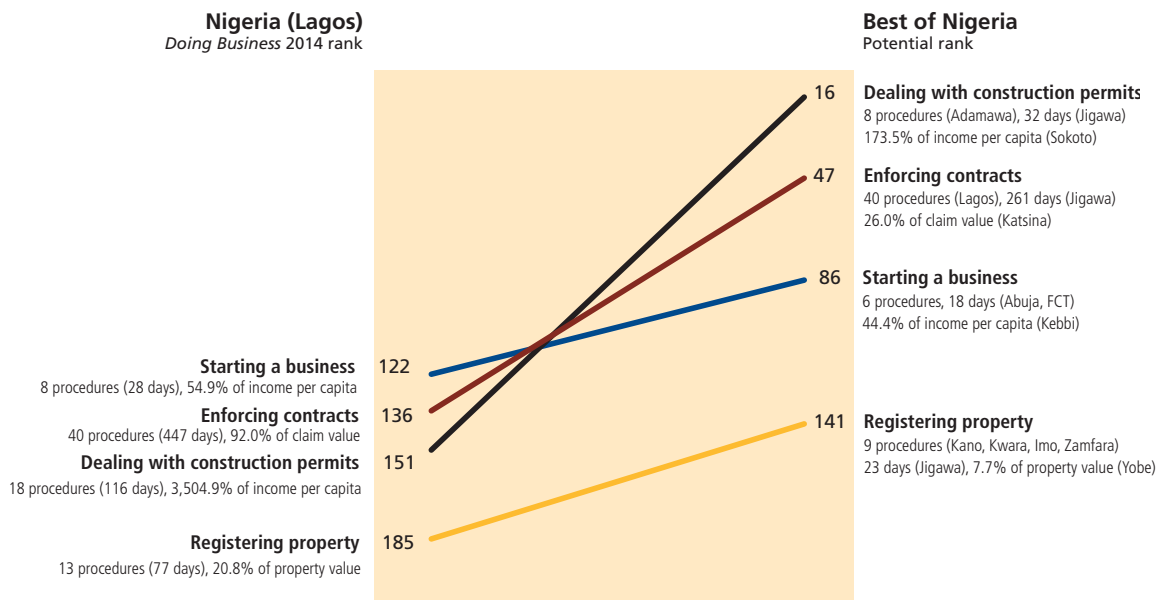
There are good practices to be found in the federation across all areas measured. And no single state ranks at the top on all indicators. For instance Abuja, FCT and Lagos are among the top performing states on the ease of starting a business, but rank in the bottom 2 positions on the ease of dealing with construction permits.

Similarly, Sokoto and Osun rank 2 and 3 in dealing with construction permits, but 30 and 33 in starting a business, respectively. Zamfara and Gombe are among the top 3 states in registering property, but lag behind in dealing with construction permits. And Kaduna or Yobe are among the best performers in contract enforcement, but lag behind significantly in dealing with construction permits. This variation can point to important regulatory obstacles for firms (figure 1.4).

From a public-policy point of view, such dispersion or uneven performance across the indicators measured reveals opportunities for state policy-makers to share their good practices in some areas, while learning from others what has worked better elsewhere in other areas. Sharing the same national legal framework facilitates the replication of good local practices. Take Edo, for example: here it is comparably easy to enforce a contract in the courts. However, the constraints in registering property can hamper the ability of entrepreneurs to purchase or sell a property or use it as collateral to get a loan for their small or medium-size businesses.

A 2013 survey of public officials from 31 Mexican states showed that peer-learning is a significant tool for reform-minded states. The *Doing Business in Mexico* series

FIGURE 1.6 How would the adoption of the states' best practices improve the indicator rankings of Nigeria globally?



Source: Doing Business database.

and the bi-annual meetings organized by the Mexican Federal Commission on Regulatory Improvement (COFEMER) were identified by the states and municipalities as the best opportunities to learn about where to find good practices and to connect to peers. Not surprisingly, the states receiving the largest number of inquiries were those that consistently maintain and develop good practices. The data shows that the peer learning triggered reforms: the better-performing states in *Doing Business in Mexico 2014* are those that make the most efforts to contact others (figure 1.5).¹⁵

Nigerian states can follow suit. Reducing start-up requirements to the 6 procedures and 18 days needed in Abuja, FCT would move Nigeria's ranking¹⁶ in starting a business from 122 to 86, ahead of Russia. Less burdensome requirements and faster approvals of construction permits, like in Adamawa and Jigawa, would make Nigeria one of the best performers in this area, more efficient than the OECD average of 13 procedures and 147 days. Registering a property title in 9 procedures, as in Kano, Kwara, Imo, and Zamfara over 23 days, as in Jigawa, at a cost of 7.7% of property value, as in Yobe, would improve Nigeria's ranking by 44 places, placing it ahead of France and Mexico. Finally, resolving a commercial dispute as fast as in

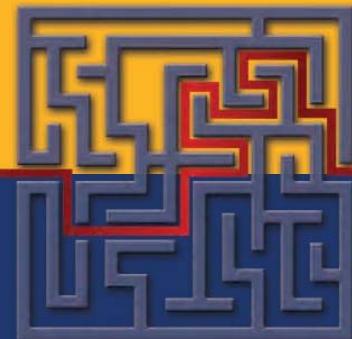
Jigawa and with as low a cost as in Katsina, would place Nigeria among the top 50 economies on the ease of enforcing contracts, ahead of Poland or the United Kingdom (figure 1.6).

NOTES

1. The Department of Economic and Social Affairs of the United Nations. World Population Prospects. August 2013.
2. In April 2014, the GDP was revised upward by 89% according to a new methodology that afforded a reassessment of the size and growth of the Nigerian economy. With this change, Nigeria becomes the largest economy in Africa, surpassing South Africa (*The Economist*, April 7, 2014).
3. United States Energy Information Administration. Nigeria Country Report. December 2013.
4. Economist Intelligence Unit (<http://country.eiu.com/nigeria>)
5. <http://povertydata.worldbank.org/poverty/country/NGA>
6. Nigerian National Bureau of Statistics. *Annual Socio-Economic Report: Nigerian Unemployment Report 2011*. Nigeria.
7. Except for Borno, due to the difficulty of travel and field research to update the data.
8. See "About *Doing Business* and *Doing Business in Nigeria 2014: Measuring for Impact*," "Data notes" and the list of contributors under "Acknowledgments" in the annex.

9. "Financing Options for SMEs in Nigeria". *European Scientific Journal*, January 2014 edition, vol.10, No 1.
10. World Bank. 2011. *Nigeria 2011: An Assessment of the Investment Climate in 26 States*. Washington, D.C.: World Bank Group.
11. In 35 Nigerian states and Abuja, FCT, 108 Corporate Affairs Commission branches, land registries and state building authorities were surveyed.
12. As self-reported by staff at these institutions who met with the project team during data collection and verification.
13. Abia, Akwa Ibom, Bauchi, Gombe, Kano, Kebbi, Kogi, Kwara and Taraba.
14. In most states, the state Ministry of Commerce is in charge of the business premises registration.
15. World Bank. 2014. *Doing Business in Mexico 2014: Understanding Regulations for Small and Medium-Size Enterprises*. Washington, D.C.: World Bank Group.
16. Nigeria is represented by Lagos in the *Doing Business* global annual series.

About *Doing Business* and *Doing Business in Nigeria* 2014: Measuring for Impact



Sound business regulations are important for a thriving private sector—and a thriving private sector is important for overall development. In the developing world the private sector is the largest employer, providing an estimated 90% of jobs.¹ Having the right business regulations and related institutions is therefore essential for the health of an economy.²

This year the 11th *Doing Business* report was published. Before the first report was produced, in 2003, few measures of business regulations existed, and even fewer that were globally comparable. Earlier efforts from the 1980s and 1990s drew on perceptions data. These expert or business surveys focused on broad aspects of the business environment and often captured the experiences of businesses. These surveys often lacked the specificity and cross-country comparability that *Doing Business* provides—by focusing on well-defined transactions, laws and institutions rather than generic, perceptions-based questions on the business environment.

Doing Business measures business regulations for local firms. The project focuses on small and medium-size companies operating in the largest business city of an economy. Based on standardized case studies, it presents quantitative indicators on the regulations that apply to firms at different stages of their life cycle. The results for each economy can be benchmarked to those for 188 other economies and over time.

De jure rules, such as those that are the focus of *Doing Business*, can be measured in a standardized way and are directly amenable to policy reforms. But these measures may not reflect the de facto experiences of firms. Data collected

through firm-level surveys can better measure actual experiences. Over the years the choice of indicators for *Doing Business* has therefore been guided by economic research and firm-level data, in particular from the World Bank Enterprise Surveys. These surveys provide data highlighting the main obstacles to business activity as reported by entrepreneurs in more than 120 economies. Among the factors that the surveys have identified as important to businesses have been access to finance and electricity—inspiring the design of the *Doing Business* indicators on getting credit and getting electricity.

The design of the *Doing Business* indicators has also drawn on theoretical insights gleaned from extensive research literature. One early inspiration was a background paper for the World Bank's *World Development Report 2002: Building Institutions for Markets*, which created an index measuring the efficiency of judicial systems.³ This paper contributed to a new stream of research literature in law and economics. The background papers developing the methodology for each of the *Doing Business* indicator sets are part of this research stream.⁴ These papers established the importance of the rules and regulations that *Doing Business* measures for such economic outcomes as trade volumes, foreign direct investment, market capitalization in stock exchanges and private credit as a percentage of GDP.

Rules and regulations are under the direct control of policy makers—and policy makers intending to change the set of incentives under which businesses operate will often start by changing rules and regulations that have an impact on firm behavior. *Doing Business* goes beyond identifying an existing problem in the

regulatory framework and points to specific regulations or regulatory procedures that may lend themselves to regulatory reform. And its quantitative measures of business regulations enable research on how specific regulations affect firm behavior and economic outcomes.

The first *Doing Business* report covered 5 topics and 133 economies. This year's report covers 11 topics and 189 economies. Ten topics are included in both the aggregate ranking on the ease of doing business and the distance to frontier measure.⁵ The *Doing Business* methodology makes it possible to update the indicators in a relatively inexpensive and replicable way.

The project has benefited from feedback from governments, academics, practitioners and independent reviewers—most recently an independent panel appointed by the president of the World Bank Group. The panel's recommendations came too late for significant changes to this year's report, but the project will explore options for improvement in coming editions. To this end, operational oversight for the project will be moved to the Development Economics Vice Presidency of the World Bank Group, to strengthen synergies between *Doing Business* and other World Bank Group flagship reports. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business.

WHAT DOING BUSINESS IN NIGERIA 2014 COVERS

Doing Business in Nigeria 2014 is the third report of the Subnational *Doing Business* (box 2.1) series in Nigeria. *Doing Business in Nigeria 2008* for the first time went beyond Lagos to measure the regulatory and business environment in the largest business city of 10 additional locations. *Doing Business in Nigeria 2010* expanded the study to measure the largest business city of all 36 states and the Federal Capital Territory (FCT). This third edition of the *Doing Business in Nigeria* series updates the data presented in *Doing Business in Nigeria 2010*. The series focuses on 4 topics—starting a business, dealing with construction permits, registering property, and enforcing contracts.

BOX 2.1 Comparing regulations at the local level: *Subnational Doing Business*

Subnational Doing Business expands the *Doing Business* analysis beyond the largest business city of an economy. It captures differences in regulations or in the implementation of national laws across locations within an economy (as in India) or a region (as in South East Europe). Projects are undertaken at the request of governments.

Subnational Doing Business produces disaggregated data on business regulations in locations where information has been nonexistent or where national data are insufficient to fully assess the regulatory environment. But it is more than a data collection exercise. *Subnational Doing Business* has proved to be a strong motivator for regulatory reform:

- *Subnational Doing Business* involves multiple interactions with government partners at national, regional and municipal levels, resulting in local ownership and capacity building.
- The data produced are comparable across locations within the economy and internationally, enabling locations to benchmark their results both locally and globally. Comparisons of locations that are within the same economy and therefore share the same legal and regulatory framework can be revealing: local officials find it hard to explain why doing business is more difficult in their jurisdiction than in a neighboring one.
- Pointing out good practices that exist in some locations but not others in an economy helps policy makers recognize the potential for achieving a regulatory performance far better than that suggested by the ranking captured in the global *Doing Business* report. This can prompt discussions of regulatory reform across different levels of government, providing opportunities for local governments and agencies to learn from one another.
- *Subnational Doing Business* indicators are actionable, because most of the areas measured are within governments' mandate. In addition, the reports provide policy recommendations and examples of good practice that are easy to replicate because of the shared legal traditions and institutions.

Since 2005 subnational reports have covered 355 cities in 55 economies, including Brazil, China, India, Kenya, Morocco, Pakistan and the Philippines.^a In 2013 subnational studies were completed in Colombia and Italy, and a report covering one data set was produced for Hargeisa (Somaliland). Studies are ongoing in 31 states and the Federal District in Mexico and in 36 states and the Federal Capital Territory in Nigeria. In addition, 2 regional reports were published this year:

- *Doing Business in the g7+*, comparing business regulations in economies of the g7+ group—Afghanistan, Burundi, the Central African Republic, Chad, the Comoros, the Democratic Republic of Congo, Côte d'Ivoire, Guinea, Guinea-Bissau, Haiti, Liberia, Papua New Guinea, Sierra Leone, the Solomon Islands, South Sudan, Timor-Leste and Togo.^b The g7+ group is a country-owned and country-led global mechanism established in April 2010 to monitor, report and draw attention to the unique challenges faced by fragile states.
- *Doing Business in the East African Community*, covering Burundi, Kenya, Rwanda, Tanzania and Uganda.

a. Subnational reports are available on the *Doing Business* website at <http://www.doingbusiness.org/subnational>.

b. *Doing Business* does not collect data for Somalia, also a member of the g7+ group.

An emphasis on smart regulations

Doing Business is not about eliminating the role of the state from private sector development. On the contrary, *Doing Business* recognizes that the state has a fundamental role in private sector development. A key premise of *Doing Business* is that vital economic activity requires good rules. These include rules that establish and clarify property rights, reduce the cost of resolving disputes, increase the predictability of economic interactions and provide contractual partners with core protections against abuse. The objective is to have regulations designed to be efficient, accessible to all who use them and simple in their implementation.

Accordingly, some *Doing Business* indicators give a higher score for better and more developed regulation, as the protecting investors indicators (not included in the *Doing Business in Nigeria 2014* report) do for stricter disclosure requirements for related-party transactions. Other indicators, such as those on dealing with construction permits, automatically assign the lowest score to economies that have no regulations in the area measured or do not apply their regulations (considered “no practice” economies), penalizing them for lacking appropriate regulation. Still others give a higher score for a simplified way of applying regulation with lower compliance costs for firms—as the starting a business indicators do, for example, if firms can comply with business start-up formalities in a one-stop shop or through a single online filing portal. And finally, some indicators recognize economies that apply a risk-based approach to regulation as a way to address environmental and social concerns—that is, by imposing greater regulatory requirements on activities that pose a higher risk to the population and lesser regulatory requirements on lower-risk activities.

Among the 30 economies ranking highest on the ease of doing business, a substantial number—Canada, Denmark, Germany, Japan, the Republic of Korea, New Zealand, Norway, Sweden—come from a tradition of the government having quite a prominent presence in the economy, including through setting out rules to

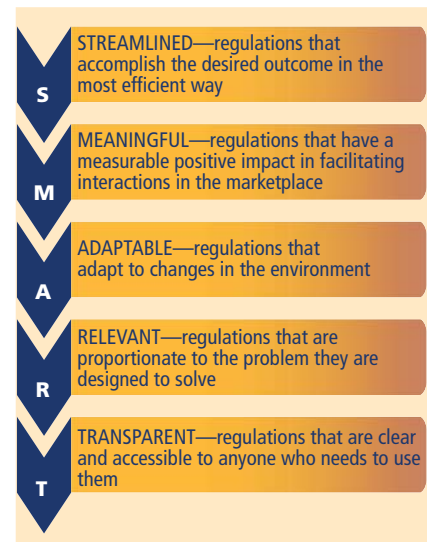
regulate different aspects of private sector activity. Yet all these economies perform well not only on the *Doing Business* indicators but also in other international data sets capturing dimensions of competitiveness. The economies performing best in the *Doing Business* rankings therefore are not those with no regulation but those whose governments have managed to create rules that facilitate interactions in the marketplace without needlessly hindering the development of the private sector. Ultimately, *Doing Business* is about smart regulations, and these can be provided only by a well-functioning state (figure 2.1).

Two types of data

In constructing the indicators the *Doing Business* project uses 2 types of data. The first come from readings of laws and regulations in each economy. The *Doing Business* team, in collaboration with local expert respondents, examines the company law to find, for example, requirements for company incorporation. It reads the civil law to find the number of procedures necessary to resolve a commercial sale dispute through local courts. And it plumbs other legal instruments for other key pieces of data used in the indicators, several of which have a large legal dimension. Indeed, about three-quarters of the data used in *Doing Business* are of this type and are easily verifiable against the law. The local expert respondents play a vital role in corroborating the *Doing Business* team’s understanding and interpretation of rules and laws.

Data of the second type serve as inputs into indicators on the complexity and cost of regulatory processes. These indicators measure the efficiency in achieving a regulatory goal, such as the number of procedures to obtain a building permit or the time taken to grant legal identity to a business. In this group of indicators cost estimates are recorded from official fee schedules where applicable. Time estimates often involve an element of judgment by respondents who routinely administer the relevant regulations or undertake the relevant transactions.⁶ To construct the time indicators, a regulatory process such as starting a business is broken down into clearly defined steps and procedures (for more details, see the discussion on methodology in this

FIGURE 2.1 How does *Doing Business* define SMART business regulations?



chapter). In constructing the starting a business indicator, *Doing Business* builds on Hernando de Soto’s pioneering work in applying the time-and-motion approach in the 1980s to show the obstacles to setting up a garment factory on the outskirts of Lima.⁷

In developing the data of this second type, the *Doing Business* team conducts several rounds of interaction with the expert respondents—through conference calls, written correspondence and visits by the team—until there is convergence on the final answer. For data of the first type, because they are based on the law, there is less need for convergence and for a larger sample of experts to ensure accuracy.

WHAT DOING BUSINESS IN NIGERIA 2014 DOES NOT COVER

The *Doing Business in Nigeria 2014* data have key limitations that should be kept in mind by those who use them.

Limited in scope

The *Doing Business in Nigeria 2014* indicators are limited in scope. In particular:

- *Doing Business in Nigeria 2014* does not measure all 11 indicators covered in the global *Doing Business* report. The report covers only 4 areas of business

TABLE 2.1 *Doing Business in Nigeria 2014*—benchmarking 4 areas of business regulation

Starting a business	Procedures, time, cost and paid-in minimum capital requirement
Dealing with construction permits	Procedures, time and cost
Registering property	Procedures, time and cost
Enforcing contracts	Procedures, time and cost to resolve a commercial dispute

regulation that are either the provenance of the local governments or where local differences exist—starting a business, dealing with construction permits, registering property, and enforcing contracts (table 2.1).

- Doing Business in Nigeria 2014* does not measure the full range of factors, policies and institutions that affect the quality of the business environment in an economy or its national competitiveness. It does not, for example, capture aspects of security, the prevalence of bribery and corruption, market size, macroeconomic stability (including whether the government manages its public finances in a sustainable way), the state of the financial system, the state of the rental or resale property market or the level of training and skills of the labor force.
- Even within the relatively small set of indicators included in *Doing Business in Nigeria 2014*, the focus is deliberately narrow. The starting a business indicator, for example, does not cover all aspects of commercial legislation. It only focuses on the legislation regulating registration of one type of small to medium size firms. Through these indicators *Doing Business* thus provides a narrow perspective on the range of infrastructure challenges that firms face, particularly in the developing world.
- Doing Business* does not attempt to measure all costs and benefits of a particular law or regulation to society as a whole. The indicators do not measure, nor are they intended to measure, the benefits of the social and economic programs funded through tax revenues. Measuring business laws and regulations provides one input into the debate on the regulatory burden associated with achieving regulatory objectives. Those objectives can differ across

economies. *Doing Business* provides a starting point for this discussion.

Limited to standardized case scenarios

A key consideration for the *Doing Business* indicators is that they should ensure comparability of the data across a global set of economies. The indicators are therefore developed around standardized case scenarios with specific assumptions. *Doing Business* recognizes the limitations of the standardized case scenarios and assumptions. But while such assumptions come at the expense of generality, they also help ensure the comparability of data. For this reason it is common to see limiting assumptions of this kind in economic indicators. Inflation statistics, for example, are often based on prices of a set of consumer goods in a few urban areas, since collecting nationally representative price data at high frequencies would be prohibitively costly in many countries. Some *Doing Business* topics include complex areas, and so it is important that the standardized cases are carefully defined. For example, the standardized case scenario usually involves a limited liability company or its legal equivalent. The considerations in defining this assumption are twofold. First, private limited liability companies are, empirically, the most prevalent business form for firms with more than one owner in many economies around the world. Second, this choice reflects the focus of *Doing Business* on expanding opportunities for entrepreneurship: investors are encouraged to venture into business when potential losses are limited to their capital participation.

Limited to the formal sector

The *Doing Business* indicators assume that entrepreneurs have knowledge of and comply with applicable regulations. In practice, entrepreneurs may not know what needs to be done or how to comply, and may lose considerable time in trying

to find out. Or they may deliberately avoid compliance altogether—by not registering for social security, for example. Where regulation is particularly onerous, levels of informality tend to be higher.⁸ Compared with their formal sector counterparts, firms in the informal sector typically grow more slowly, have poorer access to credit and employ fewer workers—and these workers remain outside the protections of labor law.⁹ Firms in the informal sector are also less likely to pay taxes.

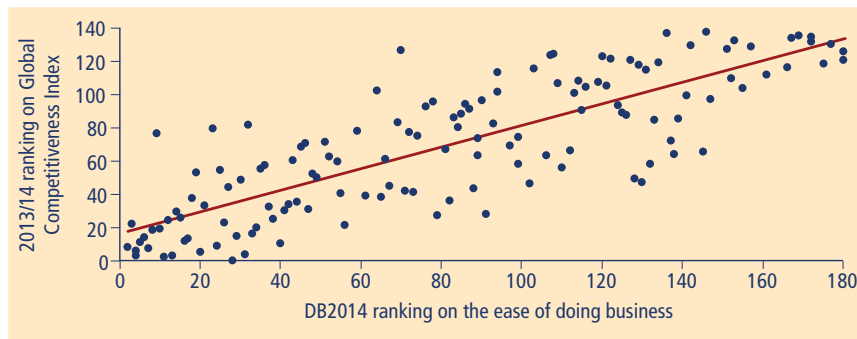
Doing Business measures one set of factors that help explain the occurrence of informality and give policy makers insights into potential areas of regulatory reform. Gaining a fuller understanding of the broader business environment, and a broader perspective on policy challenges, requires combining insights from *Doing Business* with data from other sources, such as the World Bank Enterprise Surveys.¹⁰

WHY THIS FOCUS?

Why does *Doing Business* focus on the regulatory environment for small and medium-size enterprises? These enterprises are key drivers of competition, growth and job creation, particularly in developing economies. But in these economies up to 65% of output is produced in the informal sector, often because of excessive bureaucracy and regulation—and in the informal sector firms lack access to the opportunities and protections that the law provides. Even firms operating in the formal sector might not all have equal access to these opportunities and protections.

Where regulation is burdensome and competition limited, success tends to depend on whom one knows. But where regulation is transparent, efficient and implemented in a simple way, it becomes easier for aspiring entrepreneurs to compete on an equal footing and to innovate and expand. In this sense *Doing Business* values good rules as a key to social inclusion. Enabling growth—and ensuring that all people, regardless of income level, can participate in its benefits—requires an environment where new entrants with drive and good ideas can get started in business and where good firms can invest and grow, thereby creating more jobs.

FIGURE 2.2 A strong correlation between *Doing Business* rankings and World Economic Forum rankings on global competitiveness



Note: Relationships are significant at the 1% level after controlling for income per capita.

Source: *Doing Business* database; WEF 2013.

Doing Business functions as a barometer of the regulatory environment for domestic businesses. To use a medical analogy, *Doing Business* is similar to a cholesterol test. A cholesterol test does not tell us everything about our health. But our cholesterol level is easier to measure than our overall health, and the test provides us with important information, warning us when we need to adjust our behavior. Similarly, *Doing Business* does not tell us everything we need to know about the regulatory environment for domestic businesses. But its indicators cover aspects that are more easily measured than the entire regulatory environment, and they provide important information about where change is needed.

To test whether *Doing Business* serves as a proxy for the broader business environment and for competitiveness, one approach is to look at correlations between the *Doing Business* rankings and other major economic benchmarks. Closest to *Doing Business* in what it measures is the set of indicators on product market regulation compiled by the Organisation for Economic Co-operation and Development (OECD). These indicators are designed to help assess the extent to which the regulatory environment promotes or inhibits competition. They include measures of the extent of price controls, the licensing and permit system, the degree of simplification of rules and procedures, the administrative burdens and legal and regulatory barriers, the prevalence of discriminatory procedures and the degree of government control over business enterprises.¹¹ These indicators—for the

39 countries that are covered, several of them large emerging markets—are correlated with the *Doing Business* rankings (the correlation here is 0.53).

There is a high correlation (0.83) between the *Doing Business* rankings and the rankings on the World Economic Forum's Global Competitiveness Index, a much broader measure capturing such factors as macroeconomic stability, aspects of human capital, the soundness of public institutions and the sophistication of the business community (figure 2.2).¹² For several of these factors the Global Competitiveness Index uses data collected by other organizations. For others it uses primary data, collected through surveys of the business community's perceptions of the business environment.¹³ Self-reported experiences with business regulations, such as those captured by the Global Competitiveness Index, often vary much more within economies (across respondents in the same economy) than across economies, suggesting that different firms experience the same regulatory environment in very different ways.¹⁴

DOING BUSINESS AS A BENCHMARKING EXERCISE

By capturing key dimensions of regulatory regimes, *Doing Business in Nigeria 2014* provides a rich opportunity for benchmarking. Such a benchmarking exercise is necessarily incomplete, just as the *Doing Business* data are limited in scope. It is useful when it aids judgment, but not when it supplants judgment.

Reviewing the *Doing Business* rankings in isolation may reveal unexpected results. Some cities may rank unexpectedly high on some topics. And some cities that have had rapid growth or attracted a great deal of investment may rank lower than others that appear to be less dynamic. For reform-minded governments, how much the regulatory environment for local entrepreneurs improves in an absolute sense matters far more than their economy's ranking relative to other economies. As cities develop, they tend to streamline existing regulations and prune outdated ones. One finding of *Doing Business* is that dynamic and growing economies continually reform and update their business regulations and the implementation of those regulations, while many poor economies still work with regulatory systems dating to the late 1800s.

HOW GOVERNMENTS USE DOING BUSINESS

Doing Business offers policy makers a benchmarking tool useful in stimulating policy debate, both by exposing potential challenges and by identifying good practices and lessons learned. Despite the narrow focus of the indicators, the initial debate in an economy on the results they highlight typically turns into a deeper discussion on their relevance to the economy and on areas where business regulatory reform is needed, including areas well beyond those measured by *Doing Business*.

Part of a broad approach to policy reform

Many of the *Doing Business* indicators can be considered "actionable." For example, governments have direct control over the minimum capital requirement for new firms. They can invest in company and property registries to increase the efficiency of these public agencies. And they can undertake court reforms to shorten delays in the enforcement of contracts. Many of these indicators are actionable at different levels of government. For instance, while building codes are set at a national level, it is often municipal building authorities that are in charge of local implementation and undertake enforcement. Depending on the economy, performance in the some areas measured by

Doing Business can be influenced by local government implementation of national laws, and the design of their own local regulation, in areas such as commercial licensing, local taxation and building permitting. But some *Doing Business* indicators capture procedures, time and costs that involve private sector participants, such as lawyers, notaries, architects or freight forwarders. Governments may have little influence in the short run over the fees these professions charge, though much can be achieved by strengthening professional licensing regimes and preventing anticompetitive behavior. And governments have no control over the geographic location of their city, a factor that can adversely affect businesses.

While *Doing Business* indicators are actionable, this does not necessarily mean that they are all “action-worthy” in a particular context. Business regulatory reforms are one element of a strategy aimed at improving competitiveness and establishing a solid foundation for sustainable economic growth. There are many other important goals to pursue—such as effective management of public finances, adequate attention to education and training, adoption of the latest technologies to boost economic productivity and the quality of public services, and appropriate regard for air and water quality to safeguard people’s health. Governments have to decide what set of priorities best fits the needs they face. To say that governments should work toward a sensible set of rules for private sector activity (as embodied, for example, in the *Doing Business* indicators) does not suggest that doing so should come at the expense of other worthy policy goals.

There is no evidence that *Doing Business* reforms are crowding out reforms in other areas, such as in fiscal policy or in health and education. Indeed, governments are increasingly recognizing that improving competitiveness and creating a better climate for private sector activity requires actions across a broad front, addressing factors and policies that extend well beyond those captured by the *Doing Business* indicators.

Over several years of engaging with authorities in a large number of economies, the *Doing Business* team has never seen

a case where the binding constraint to, say, contract enforcement was the feverish pace of reforms in other policy areas. Increasingly, the opposite seems to be the case, with governments recognizing the synergies of multifaceted reforms across a broad range of areas. Moreover, because the areas measured by *Doing Business* indicators encompass many government departments—typically including the ministries of justice, commerce, industry, finance, trade, energy, and local governments, to name just a few—the administrative burden of regulatory reforms is more equitably shared.

Another factor has also helped sustain the interest of policy makers in the *Doing Business* data. Implementing coherent economic policies in the face of a rapidly changing global economy and an uncertain economic outlook is a great challenge. Many of the factors shaping the environment in which economic policies are formulated lie well outside the control of most policy makers, especially those in the developing world. But the rules and regulations that governments put in place to underpin private sector activity are largely homemade. Whether these rules are sensible or excessively burdensome, whether they create perverse incentives or help establish a level playing field, whether they safeguard transparency and encourage adequate competition—all this is largely within the control of governments.

Insights into good practices

As governments over the past decade have increasingly understood the importance of business regulation as a driving force of competitiveness, they have turned to *Doing Business* as a repository of actionable, objective data providing unique insights into good practices worldwide. Reform-minded governments seeking success stories in business regulation find examples in *Doing Business* (box 2.2). Saudi Arabia, for example, used the company law of France as a model for revising its own law. Many African governments may look to Mauritius—the region’s strongest performer on *Doing Business* indicators—as a source of good practices to inspire regulatory reforms in their own countries. Governments shared knowledge of business regulations before the *Doing Business* project began. But

Doing Business made it easier by creating a common language comparing business regulations around the world.

Over the past decade governments worldwide have been actively improving the regulatory environment for domestic companies. Most reforms relating to *Doing Business* topics have been nested in broader reform programs aimed at enhancing economic competitiveness, as in Colombia, Kenya, Liberia and the Russian Federation. In structuring reform programs for the business environment, governments use multiple data sources and indicators. This recognizes the reality that the *Doing Business* data on their own provide an incomplete roadmap for successful business regulatory reforms.¹⁵ It also reflects the need to respond to many stakeholders who bring important issues and concerns to the reform debate.

When the World Bank Group engages with governments on the subject of improving the investment climate, the dialogue aims to encourage the critical use of the *Doing Business* data—to sharpen judgment and promote broad-based reforms that enhance the investment climate rather than a narrow focus on improving the *Doing Business* rankings. The World Bank Group uses a vast range of indicators and analytics in this policy dialogue, including its Global Poverty Monitoring Indicators, World Development Indicators, Logistics Performance Indicators and many others. The open data initiative has made data for many such indicators conveniently available to the public at <http://data.worldbank.org>.

METHODOLOGY AND DATA

The *Doing Business in Nigeria 2014* covers 35 states and Abuja, FCT. The data are based on domestic laws and regulations as well as administrative requirements (For a detailed explanation of the *Doing Business* methodology, see the data notes.). The report uses several sources of information: *Doing Business in Nigeria 2014* respondents, the relevant laws and regulations, and government and public agencies operating at the central and/or local level.

BOX 2.2 How economies have used *Doing Business* in regulatory reform programs

To ensure the coordination of efforts across agencies, such economies as Brunei Darussalam, Colombia and Rwanda have formed regulatory reform committees, reporting directly to the president. These committees use the *Doing Business* indicators as one input to inform their programs for improving the business environment. More than 45 other economies have formed such committees at the interministerial level. In East and South Asia they include the Republic of Korea; Malaysia; the Philippines; Taiwan, China; and Vietnam. In the Middle East and North Africa: Morocco, Saudi Arabia and the United Arab Emirates. In Europe and Central Asia: Croatia, Georgia, Kazakhstan, Kosovo, the Kyrgyz Republic, the former Yugoslav Republic of Macedonia, Moldova, Montenegro, Poland, the Russian Federation, Tajikistan, Ukraine and Uzbekistan. In Sub-Saharan Africa: Botswana, Burundi, the Central African Republic, the Comoros, the Democratic Republic of Congo, the Republic of Congo, Côte d'Ivoire, Guinea, Kenya, Liberia, Malawi, Mali, Nigeria, Sierra Leone, Togo and Zambia. And in Latin America: Chile, Costa Rica, the Dominican Republic, Guatemala, Mexico, Panama and Peru.

Since 2003 governments have reported more than 530 regulatory reforms that have been informed by *Doing Business*.^a Within a single country or region, Subnational *Doing Business* reports have motivated over 350 reforms in 142 cities across 17 economies. Many economies share knowledge on the regulatory reform process related to the areas measured by *Doing Business*. Among the most common venues for this knowledge sharing are peer-to-peer learning events—workshops where officials from different governments across a region or even across the globe meet to discuss the challenges of regulatory reform and to share their experiences. In recent years such events have taken place in Panama and Colombia (for Latin America and the Caribbean), in South Africa (for Sub-Saharan Africa), in Georgia (for Europe and Central Asia), in Malaysia (for East Asia and the Pacific) and in Morocco (for the Middle East and North Africa).

a. These are reforms for which *Doing Business* is aware that information provided by the *Doing Business* report was used in shaping the reform agenda.

Doing Business in Nigeria 2014 respondents

Doing Business in Nigeria 2014 draws on the inputs of over 210 private sector professionals in 36 Nigerian locations. The Subnational *Doing Business* website and the acknowledgment section of this report list the names and credentials of respondents for each location. Respondents are professionals who routinely administer or advise on the legal and regulatory requirements covered in each *Doing Business* topic measured in this report. They were selected on the basis of their expertise in the specific areas covered by *Doing Business* in Nigeria 2014. Because of the focus on legal and regulatory arrangements, most of the respondents were legal professionals, such as incorporation or litigation lawyers. Architects, business consultants, engineers and other professionals answered the questionnaires

related to construction permits. In some cases, public officials (such as municipal officers working on the issuance of building permits) also provided populated surveys that were incorporated into the indicators.

Doing Business does not survey firms for 2 main reasons. The first relates to the frequency with which firms engage in the transactions captured by the indicators, which is generally low. For example, a firm goes through the start-up process once in its existence, while an incorporation lawyer may carry out several dozen such transactions in a year. The incorporation lawyers and other experts providing information to *Doing Business* are therefore better able to assess the process of starting a business than are individual firms. The second reason is that the *Doing Business* questionnaires mostly gather

legal information, which firms are unlikely to be fully familiar with. For example, few firms will know about all the many legal procedures involved in resolving a commercial dispute through the courts, even if they have gone through the process themselves. But a litigation lawyer would have no difficulty in identifying all the necessary steps.

Relevant laws and regulations

Doing Business in Nigeria 2014 indicators are based on laws, regulations and local practices. *Doing Business* in Nigeria 2014 respondents both filled out written questionnaires and provided references to the relevant laws, regulations and fee schedules, which were collected and analyzed by the Subnational *Doing Business* team. The project data collection team also conducted various rounds of interactions with each respondent to ensure clear understanding of the methodology and accuracy of responses.

Central and local level governments

After the analysis of laws and regulations and after conducting follow-up interviews with *Doing Business* in Nigeria 2014 respondents, the Subnational *Doing Business* team shared the preliminary findings of the report with governments and public agencies operating both at the central and local level. Through this process government authorities had the opportunity to comment on the preliminary data, both through meetings with World Bank Group staff and in writing.

Improvements to the methodology

The methodology has undergone continual improvement over the years. For enforcing contracts, for example, the amount of the disputed claim in the case study was increased from 50% of income per capita to 200% after the first year of data collection, as it became clear that smaller claims were unlikely to go to court. Another change related to starting a business. The minimum capital requirement can be an obstacle for potential entrepreneurs. *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 relevant barrier to entry, the paid-in minimum capital has been used rather than the required minimum capital.

In addition, the rule establishing that each procedure must take at least 1 day was removed for procedures that can be fully completed online in just a few hours.

When the indicators were first developed in 2002, online procedures were not widespread globally. In the ensuing years there has been an impressive acceleration in the adoption by governments and the private sector of the latest information and communication technologies for the provision of various services. While at the time *Doing Business* did not see the need to create a separate rule to account for online procedures, the widespread use of the new technologies today suggests that such distinction is now justified and the *Doing Business* methodology was changed this year to reflect the practice. This change affects the time indicator for starting a business, dealing with construction permits, getting electricity and registering property¹⁶. For procedures that can be fully completed online, the duration is now set at half a day rather than a full day.

NOTES

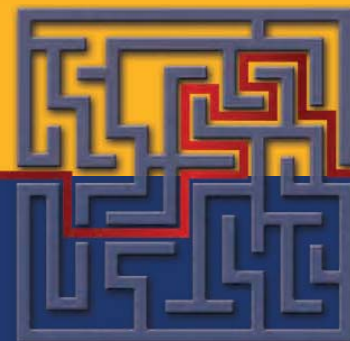
1. World Bank 2005; Stampini and others 2011.
2. See, for example, Alesina and others (2005); Perotti and Volpin (2005); Fisman and Sarría-Allende (2010); Antunes and Cavalcanti (2007); Barseghyan (2008); Klapper, Lewin and Quesada Delgado (2009); Freund and Bolaky (2008); Chang, Kaltani and Loayza (2009); Helpman, Melitz and Rubinstein (2008); Klapper, Laeven and Rajan (2006); World Bank (2005); and Ardagna and Lusardi (2010).
3. Djankov, Simeon, Rafael La Porta, Florencio López-de-Silanes and Andrei Shleifer. 2001. "Legal Structure and Judicial Efficiency: The Lex Mundi Project." Harvard University, Cambridge, MA.
4. These papers include Djankov and others (2002); Djankov, McLiesh and Shleifer (2007); Djankov, La Porta and others (2008); Djankov, Freund and Pham (2010); Djankov and others (2003); Djankov, Hart and others (2008); Botero and others (2004); and Djankov, Ganser and others (2010).

5. Except for Borno, because of the difficulty to travel to do the field research to update the data.
6. Questionnaires are administered annually to local experts in 189 economies to collect and update the data. The local experts for each economy are listed on the *Doing Business* website (<http://www.doingbusiness.org>) and in the acknowledgments at the end of this report.
7. De Soto 2000.
8. Kaplan, Piedra and Seira 2007; Cuñat and Melitz 2007; Micco and Pagés 2006; Cardenas and Roza 2009; Dulleck, Frijters and Winter-Ebmer 2006; Ciccone and Papaioannou 2007; Klapper, Lewin and Quesada Delgado 2009; Branstetter and others 2010; Bruhn 2011, 2012; Sharma 2009.
9. Schneider 2005; La Porta and Shleifer 2008.
10. <http://www.enterprisesurveys.org>.
11. OECD, "Indicators of Product Market Regulation," <http://www.oecd.org/>. The measures are aggregated into 3 broad families that capture state control, barriers to entrepreneurship and barriers to international trade and investment. The 39 countries included in the OECD market regulation indicators are Australia, Austria, Belgium, Brazil, Canada, Chile, China, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, India, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Russia, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States.
12. The World Economic Forum's *Global Competitiveness Report* uses *Doing Business* data sets on starting a business, employing workers, protecting investors and getting credit (legal rights), representing 7 of a total of 113 different indicators (or 6.19%).
13. The World Economic Forum constructs much of the Global Competitiveness Index mainly from secondary data. For example, it uses macroeconomic data from the International Monetary Fund's World Economic Outlook database, penetration rates for various technologies from the International Telecommunication Union, school enrollment rates and public health indicators from the World Bank's World Development Indicators database and indicators from other such sources, including *Doing Business*. It also supplements the secondary data by some primary data, collected from relatively small-sample opinion surveys of enterprise managers (Executive Opinion Surveys), for components accounting for 64% of the indicators captured in the index. By contrast, the *Doing Business* indicators are based entirely on primary data.
14. Hallward-Driemeier, Khun-Jush and Pritchett (2010), analyzing data from World Bank

Enterprise Surveys for Sub-Saharan Africa, show that de jure measures such as *Doing Business* indicators are virtually uncorrelated with ex post firm-level responses, providing evidence that deals rather than rules prevail in Africa. The authors find that the gap between de jure and de facto conditions grows with the formal regulatory burden. The evidence also shows that more burdensome processes open up more space for making deals and that firms may not incur the official costs of compliance but still pay to avoid them.

15. One recent study using *Doing Business* indicators illustrates the difficulties in using highly disaggregated indicators to identify reform priorities (Kraay and Tawara 2013).
16. For getting electricity the rule that each procedure must take a minimum of 1 day still applies because in practice there are no cases in which procedures can be fully completed online in less than a day. For example, even though in some cases it is possible to apply for an electricity connection online, additional requirements mean that the process cannot be completed in less than 1 day.

Starting a business



Starting a business is an act of faith. Resourceful Nigerians risk their personal savings in business plans they believe in. Starting a business involves challenges, but excessive bureaucracy should not be one of them. Entrepreneurship has positive effects not only on local communities but ultimately on the economy as a whole.¹ In fact, there is a positive relationship between entrepreneurship, growth and job creation.² In 2007, start-ups accounted for nearly 8 million of the 12 million new jobs created in the U.S. economy.³

Formal incorporation has many benefits. Legal entities outlive their founders. Resources are pooled as shareholders join forces. The legal form under which a company is registered also matters. Limited liability companies—the type of company that *Doing Business* covers—cap the financial liability of company owners, giving them more freedom to innovate because their personal assets are not put at risk. Registered companies have access to services and institutions—from courts to banks—as well

as to new customers and markets. And where firms are formally registered, their employees can benefit from protections provided by the law. Formal incorporation also generates more tax revenue for governments.

A growing body of empirical research is exploring the links between business entry regulation and social and economic outcomes. Using data collected from company registries in 100 economies over 8 years, a recent study found that simple business start-up is critical for fostering formal entrepreneurship.⁴ Conversely, cumbersome regulations and administrative procedures for starting a business were found to be associated with a smaller number of registered firms, greater informality, a smaller tax base and more opportunities for corruption.⁵

Although business start-up reforms can help, they are not likely to lead to a sustained increase in formalization unless they fundamentally alter the cost-benefit calculation of formalization. Business entry reforms have a greater impact

- Starting a business is easiest in Abuja, where the Corporate Affairs Commission is headquartered and there are no additional state-level requirements.
- For the first time, the *Doing Business in Nigeria* series recorded reforms that make it easier to start a business: 13 states introduced reforms improving the internal processes of federal or state agencies, such as the Corporate Affairs Commission and state ministries of commerce.
- Ogun made the most progress since 2010, jumping from the bottom position to the top 5.
- Leadership at the federal level is needed to roll out administrative improvements in federal agencies and to ensure the implementation of legal changes uniformly across the country, including the provisions of the *Companies Regulation 2012*.
- Reducing start-up requirements to the 6 procedures and 18 days needed in Abuja, FCT would move Nigeria's global ranking on the ease of starting a business from 122 to 86, ahead of Russia.

FIGURE 3.1 What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?

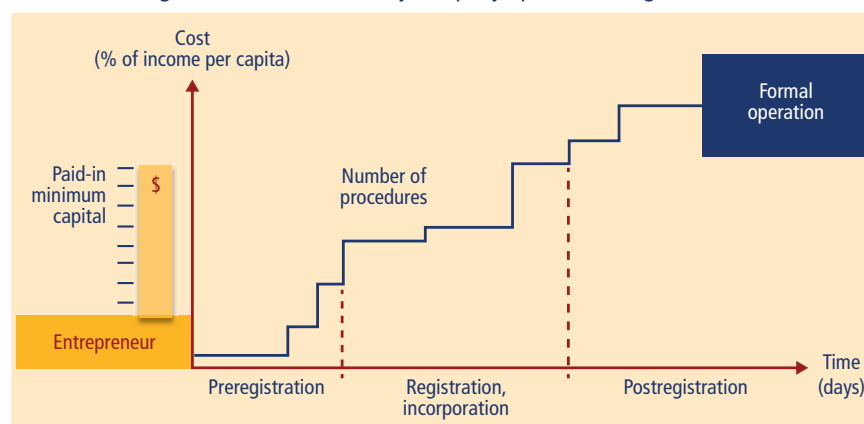
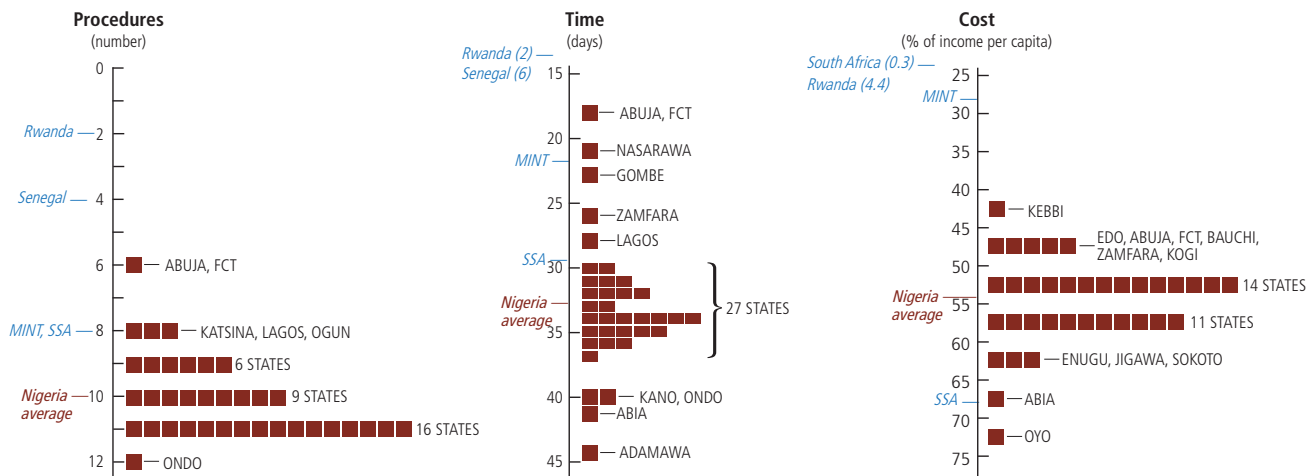


FIGURE 3.2 Some African countries have more efficient business registration processes



Note: MINT refers to the average of four emerging market economies: Mexico, Indonesia, Nigeria, and Turkey; SSA is the Sub-Saharan Africa regional average.

Source: Doing Business database.

when combined with other reforms that tackle issues such as labor market flexibility, taxation and access to finance. For example, a 2008 study found that following entry reforms, Indian states with more flexible labor regulations had real output gains 17.8% larger than those in states with less flexible labor regulations.⁶ Limited access to finance is another factor that can hinder formalization. Research suggests that improving legal and financial institutions helps all firms grow and has an even greater impact on small and medium-size firms.⁷

Governments are aware of the importance of business entry reforms: the *Doing Business* database shows that simplifying business registration has been among the most common reforms since the report was introduced in 2004. But practices vary greatly. In New Zealand, the top global performer, an entrepreneur can register a business online in 15 minutes for NZD160 (US\$118). In India—ranked 179—it takes 12 procedures, 27 days, and 47.3% of income per capita to register a company. In Sub-Saharan Africa, Rwanda and Mauritius have been top reformers for several years, with company registration taking 2 days in Rwanda and 6 days in Mauritius, putting them among the top 20 economies on the ease of starting a business.

WHAT DOES STARTING A BUSINESS MEASURE?

Doing Business data measure the number of procedures, time, cost, and paid-in minimum capital required for small and medium-size limited liability companies to formally operate (figure 3.1). To make the data comparable across 189 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has a start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people within the first month of operations.

HOW DOES STARTING A BUSINESS WORK IN NIGERIA?

The *Companies and Allied Matters Act 1990* (CAMA), amended by the *Companies Regulations 2012*, governs business start-up in Nigeria. Under this unified legal framework, the Corporate Affairs Commission is the main authority in charge of business incorporation. It has branches in all 36 states, some of which are more efficient than others. In addition, business owners have to comply with postincorporation requirements—such as registration with federal and state tax authorities and registration of the business premises with state authorities. Across Nigeria, starting a limited liability company requires, on

average, 10 procedures and takes just over a month—similar to the regional average in Sub-Saharan Africa. But starting a business in Nigeria is a relatively burdensome process. A South African entrepreneur needs to pay only 0.3% of income per capita—compared to 54.9% of income per capita in Nigeria—and a Senegalese entrepreneur waits only 1 week to start a business (figure 3.2).

Behind the national averages, there are marked differences across states. Starting a business is easiest in Abuja, FCT, Zamfara, Kebbi, Lagos and Ogun. It is most difficult in Ondo, Abia and Kano. Abuja, FCT and Kebbi were already at the top of the list in *Doing Business in Nigeria 2010*. All in all, Ogun made the most progress since 2010. After introducing a set of reforms, it jumped from the bottom position to make the top 5 (table 3.1).

In Abuja, FCT, it takes 6 procedures, 18 days and 46.3% of income per capita to open a business. By contrast, in Ondo, it takes 12 procedures, 40 days and 57.0% of income per capita.

The first 6 procedures are federal requirements and are uniform across the country (figure 3.3).⁸ Since Abuja is a Federal Capital Territory rather than a state, there are no additional state requirements. But businesses outside Abuja, FCT also need to register for state tax and obtain

TABLE 3.1 Where is it easy to start a business--and where not?

State	Rank	Procedures (number)	Time (days)	Cost (% of income per capita)
Abuja, FCT	1	6	18	46.3
Zamfara	2	10	26	47.6
Kebbi	3	10	32	44.4
Lagos	4	8	28	54.9
Ogun	5	8	32	54.8
Gombe	6	11	23	51.2
Kogi	7	11	31	48.5
Yobe	8	10	34	51.2
Kwara	9	11	30	53.4
Cross River	10	11	32	51.2
Bauchi	11	11	33	47.6
Nasarawa	12	10	21	57.5
Benue	13	9	36	50.7
Edo	14	10	36	45.8
Kaduna	15	11	31	54.3
Niger	15	9	32	57.9
Ekiti	17	11	34	52.1
Katsina	18	8	35	55.6
Taraba	19	9	35	55.2
Plateau	20	11	34	53.8
Ebonyi	21	11	34	54.1
Akwa Ibom	22	10	36	53.4
Anambra	23	10	34	57.3
Oyo	24	10	31	73.2
Jigawa	25	9	34	62.4
Bayelsa	26	11	35	53.1
Enugu	27	10	33	60.2
Delta	28	9	35	59.3
Adamawa	29	9	44	54.8
Sokoto	30	11	30	63.7
Imo	31	11	34	56.7
Rivers	32	11	35	55.4
Osun	33	11	37	56.9
Kano	34	11	40	59.7
Abia	35	11	41	66.0
Ondo	36	12	40	57.0

Note: Rankings are based on the average city percentile rankings on the procedures, time, cost and paid-in minimum capital to start a business. See *Data notes* for details.

Source: *Doing Business* database.

FIGURE 3.3 Starting a business in Nigeria involves the same main stages

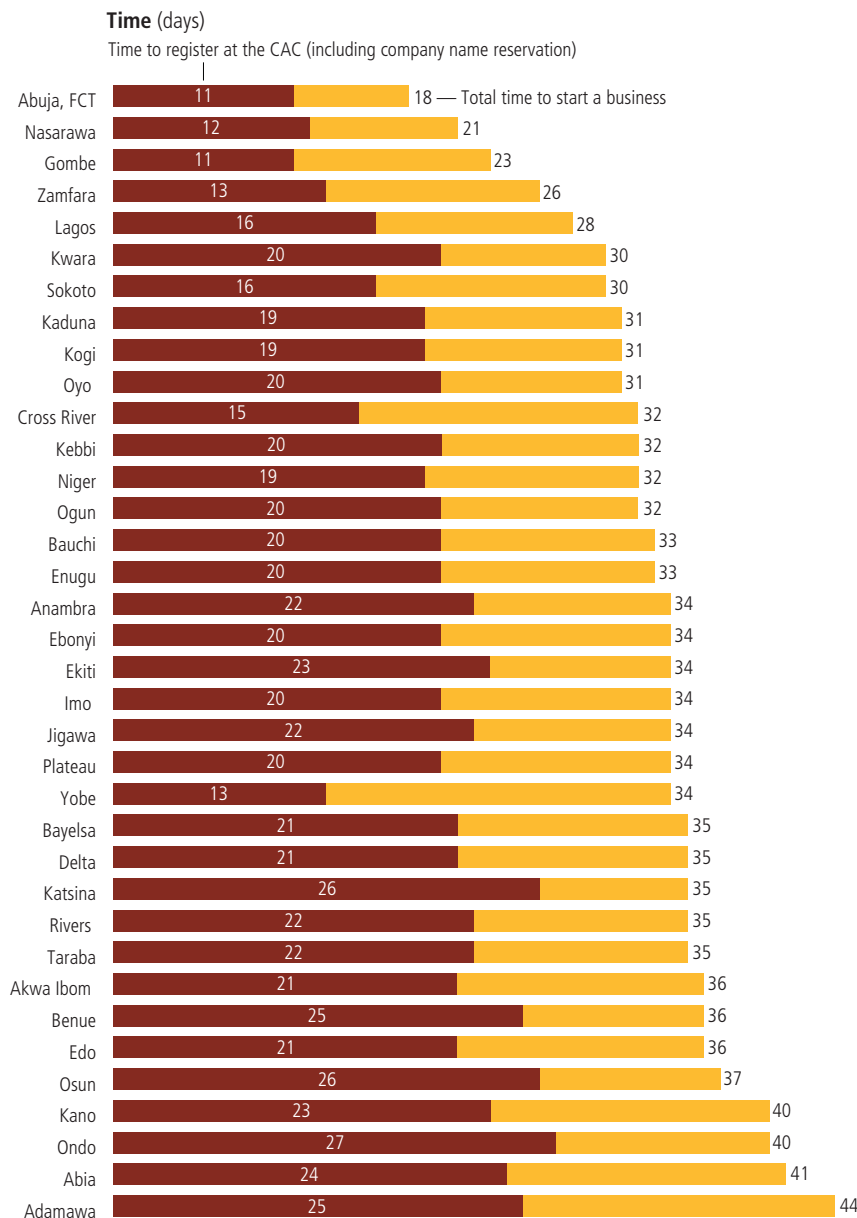


* The payment of incorporation fees is done at a designated bank and not on the premises of the Corporate Affairs Commission office in almost two thirds of the states.

Source: *Doing Business* database.

a business premises permit. Registration with the state tax authorities is a single step process across the country. Getting the business premises permit can take up to 4 steps. Obtaining a business premises permit in Katsina, Lagos, and Ogun can be done in just 1 step. For example, to register the company premises with the Lagos State Government, the entrepreneur pays a visit to any commercial bank with a proof of company address—such as utility bills. Upon payment of the business premises fee to the account of the Lagos Inland Revenue Services, the bank issues a receipt bearing the Lagos State Government logo. The receipt serves as a proof of registration for business premises and no additional steps are required. By contrast, entrepreneurs in Ondo, need to go through 4 different steps to obtain the business premises permit: receiving an inspection from the State Ministry of Commerce and Industry, paying the incorporation fees

FIGURE 3.4 In most states, more than half of the total time to start a business is spent on registering the company with the Corporate Affairs Commission



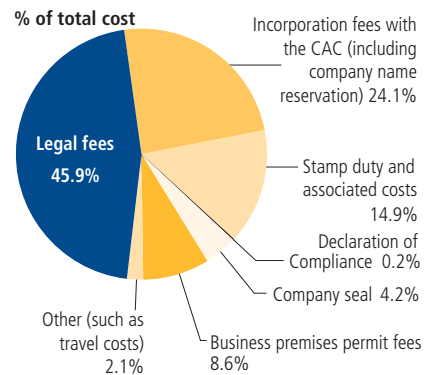
Source: Doing Business database.

into a government account, registering the premises with the State Board of Internal Revenue, and finally obtaining the business premises permit.

Starting a business is fastest in Abuja, FCT—18 days, similar to South Africa's Johannesburg—where the headquarters of the Corporate Affairs Commission are located and there are no additional state-level requirements to comply with. Meanwhile, the same process takes 44 days in Adamawa. In almost all Nigerian

states, more than half of the total time is spent on name reservation and company registration with the Corporate Affairs Commission. To reserve a company name and register the company with the Corporate Affairs Commission, it can take less than 2 weeks—as seen in Abuja, FCT and Nasarawa—or almost 1 month—as seen in Ondo (figure 3.4). Entrepreneurs must submit a choice of 3 names to the Corporate Affairs Commission. Due to connectivity issues between the Corporate Affairs Commission branches

FIGURE 3.5 On average, legal fees represent almost half of the total cost to start a business in Nigeria



Source: Doing Business database.

and the central database maintained in Abuja, FCT, it takes on average 5 days to finalize the company name reservation across Nigeria. To register the company, entrepreneurs can download standard incorporation forms from the Corporate Affairs Commission website,⁹ but they must submit the filled-out forms and make the necessary payments in person. Although entrepreneurs can apply for business incorporation at the Corporate Affairs Commission branch in their state of residence, applications are processed at the headquarters in Abuja, FCT, where the certificate of incorporation is issued by the Registrar General.

Delays across states also depend on the efficiency of the local branch of the Federal Inland Revenue Service. A taxpayer identification number can be obtained in 2 days in Niger or Plateau. The same takes around 1 week in Delta and Edo. Moreover, entrepreneurs from 12 states, where the Federal Inland Revenue Service does not maintain a local stamp duty office, must travel out of town, adding to the total time and cost to start a business in these locations.

There are significant cost variations across states, as well. It is least expensive to start a business in Edo and Kebbi—around 45% of income per capita—while Oyo stands out as the most costly, at more than 70% of income per capita. The largest cost component is the professional fee charged by lawyers, which

TABLE 3.2 Since 2010, 13 states have made it easier to start a business

State	Opened a stamp duty or tax registration office or increased efficiency at existing tax office	Streamlined registration for state business premises permits*	Increased efficiency at the local office of the Corporate Affairs Commission	Introduced additional requirements and increased fees
Abia				X
Anambra	✓	✓		
Bayelsa	✓			
Cross River	✓		✓	
Delta		✓	✓	
Ebonyi			✓	
Edo	✓		✓	
Ekiti			✓	
Imo			✓	
Katsina	✓			
Lagos		✓		
Nasarawa	✓		✓	
Ogun	✓	✓	✓	
Plateau		X		
Taraba	X			
Zamfara	✓		✓	

✓ *Doing Business* reform making it easier to start a business

X *Doing Business* reform making it more difficult to start a business

*In most states, the Ministry of Commerce is in charge of business premises registration.

Note: This table records all *Doing Business* reforms that occurred between January 2010 and March 2014.

Source: *Doing Business* database.

amounts to almost half of total cost in all states (figure 3.5). Although, in principle, Nigeria's *Companies Regulations 2012* allows business owners to register without a legal intermediary, the ambiguous language leaves room for interpretation. Therefore, in practice, most entrepreneurs continue to hire a legal practitioner to help register their company. Legal fees vary—from NGN40,000 (US\$257) in Edo, Kebbi and Kogi to NGN70,000 (US\$450) in Delta and Nasarawa. Other cost components include the stamp duty and the incorporation fee, which are assessed on the nominal share capital of the company. The stamp duty represents 0.75% of the share capital. The incorporation fee is NGN10,000 (US\$64) for the first NGN 1 million of share capital plus NGN5,000 (US\$32) for every additional million or part thereof.

Cost variations among states are also driven by the differences in fees charged by state authorities¹⁰ for the registration of the business premises. Some states charge a fixed fee, while others impose a fee that depends upon the business

activity, size of the premises, location and number of employees. For a limited liability company performing general commercial activities, the business premises fee ranges from NGN2,000 (US\$13) in Kebbi, Ekiti and Zamfara to NGN50,000 (US\$321) in Oyo. Entrepreneurs in Abia also need to pay the Abia State Physical Planning and Infrastructural Development fee, which is not required in any other state. According to the Abia State Physical Planning and Infrastructure Development Fund law introduced in 2010, all businesses need to pay this fee even if leasing the premises. The fee varies from NGN10,000 (US\$64) to NGN300,000 (US\$1,929) depending on the size and nature of the business.

WHAS HAS IMPROVED SINCE 2010?

Since the publication of *Doing Business in Nigeria 2010*, 13 Nigerian states have made it easier to start a business (table 3.2). In 9 states, the time to register a business with the Corporate Affairs Commission

dropped by 1 or 2 weeks. Hiring new staff, computerization, management training, opening a bank desk within the Corporate Affairs Commission premises, and better tracking of applications were some of the tools used to increase efficiency. The opening of additional stamp duty or tax registration offices by the Federal Inland Revenue Service eliminated the need to travel out of town for entrepreneurs in Anambra, Cross River, Edo, Kwara, Nasarawa, Ogun, and Zamfara. In 4 states—Anambra, Delta, Lagos and Ogun—a separate visit to the state authorities to obtain a business premises permit is no longer necessary. A receipt issued by a commercial bank showing that the business premises fee has been paid serves as proof of registration. In Lagos and Ogun, an inspection is no longer required to confirm the location of the business. Entrepreneurs can present utility bills or lease contracts as evidence, instead. However, lengthier processes, increases in local licensing fees, and the introduction of additional requirements have made starting a business more difficult in 3 states.

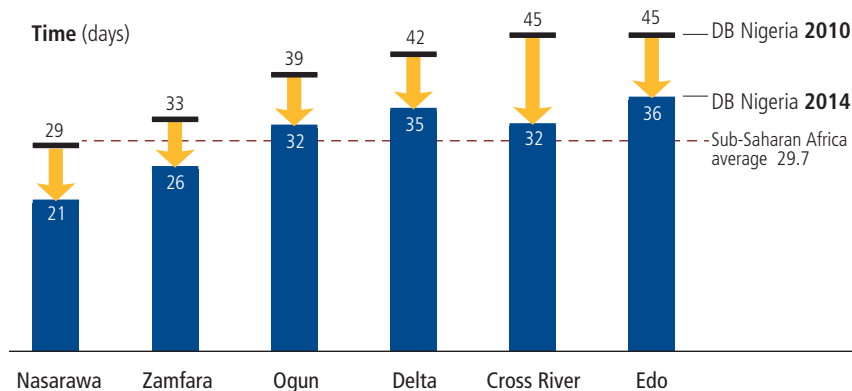
These reform efforts have paid off, significantly reducing the total time to start a business in 6 states (figure 3.6).

WHAT TO REFORM?

Step up the communication campaign to educate the public on *Companies Regulations 2012* and foster its implementation

Half of the economies measured by *Doing Business* do not require the involvement of professional intermediaries to incorporate a limited liability company. Making standardized incorporation forms publicly available and allowing entrepreneurs to file them directly represents a significant cost saving for small businesses. In Nigeria, *Companies Regulations 2012* did just this. But not everyone is aware of this change. According to anecdotal evidence, even employees at the Corporate Affairs Commission still require that the incorporation forms be reviewed and signed by a lawyer. As a result, the majority of entrepreneurs continue to use their services. In response, the Corporate Affairs Commission, in partnership with the Nigerian Investment Promotion Agency,

FIGURE 3.6 The time to start a business has been significantly reduced in 6 states since 2010



Note: The business reforms making it easier to start a business occurred between January 2010 and March 2014.

Source: *Doing Business* database.

launched an awareness campaign in 2014 called “Running a Business in Nigeria”.¹¹ The aim of this campaign is to promote the benefits of formalization to small and medium-size enterprises, to create awareness of recent reforms and increase new business registrations in Nigeria. The campaign started in Cross River, Kaduna, Kano, and Lagos and featured public-private dialogue forums with key stakeholders. More campaigns of this kind should be organized to disseminate reforms and good practices across Nigeria.

Some of the main challenges faced when introducing reforms are the poor understanding of the issues, a lack of ownership by those who will be affected by the changes, unequal benefits of the reform, inertia or lack of support, and weak transmission channels. As a first step it is therefore crucial that the language of the law or regulation narrows room for interpretation. Once the intent of the law or rule is clarified, an effective communication strategy can be instrumental, as reforms may go unnoticed and remain on the books without implementation.¹² Nevertheless, some reformers are not good marketers. 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 made sure that everyone knew about the new system.

Make name reservation fully electronic and accessible to the public across Nigeria and work towards a fully automated system for business registration

Nigeria is employing information and communication technology to make starting a business more efficient. Standardized electronic articles of incorporation are available for download. Applicants are informed by text message when the certificate of incorporation is ready for pick up at the Corporate Affairs Commission office. But not all infrastructure and administrative arrangements are in place to ensure full automation of the Corporate Affairs Commission’s operations. Applicants still need to submit the filled out forms and make payments in person at the Corporate Affairs Commission branch in their state. The online name checking and reservation is not fully functional due to connectivity issues with the database at the headquarters in Abuja and shortage of prepaid cards.

In order to speed up name search and facilitate company registration, fiber-optic cable could be installed between the Corporate Affairs Commission’s headquarters in Abuja and state branches. Modernizing payments could include additional payment methods in addition to pre-paid cards, if these are not available. Credit cards, mobile phone payments or e-checks could be alternatives. The next step would be to allow for electronic submissions of documents online.

An ongoing decentralization process of the Corporate Affairs Commission aims to eliminate the need to mail application packages and certificates of incorporation back and forth from the state branches to the Abuja headquarters. As part of a pilot program, branches in Enugu, Kano, Kaduna, and Lagos will be empowered to review and approve business registration applications in situ. Offices in Akure, Bauchi, Ibadan, Oyeri, and Port Harcourt are expected to be given similar prerogatives this year. Although the generation of the final certificate will still come from the Registrar General in Abuja, FCT, the certificate of incorporation is printed remotely in the respective state office.

Around the world, e-government initiatives range from data centers and shared networks to government-wide information infrastructure and unified service centers for the public. When Mauritius introduced a computerized system for all types of business registrations in 2006, total registration time fell by 80%.¹³ In Liberia, company name reservation and business incorporation can be completed online in only 1.5 days and entrepreneurs can also track their application status online.¹⁴ To encourage use, some economies set lower fees for online registration. In Belgium, online registration costs EUR140 and paper registration EUR2,004. In Estonia, documents filed electronically no longer need to be notarized.

Eliminate duplicate or outdated requirements, such as the company seal and the declaration of compliance

Section 74 of the Companies and Allied Matters Act requires every company to obtain a company seal. In the past, a company seal symbolized the legal identity of a business and authenticated all its contracts. Now most documents are sent electronically and seals can be forged easily. In most economies seals are being replaced with electronic signatures or with signatures of authorized representatives of a company. About 60% of economies measured by *Doing Business* do not require a seal. Since 2007, numerous economies, including Ghana and Tanzania,¹⁵ have eliminated or made optional the requirement for companies to have seals.

Signing a declaration of compliance before a Commissioner for Oaths certifies that the documents being submitted meet the requirements of the Companies and Allied Matters Act. However, filing the registration documents in itself should be enough evidence that the entrepreneur is complying with the law. Thus, an additional declaration of compliance may no longer be necessary.

Simplify the requirements to obtain the business premises permit from state authorities

Obtaining a business premises permit can take up to 4 steps, depending on which state the business operates in. For example, in Ondo and Niger, an inspection is needed to confirm the location of the business, while in Lagos and Ogun entrepreneurs can present utility bills or lease contracts as evidence instead. In most states, entrepreneurs have to first pay the fee at a designated bank and then obtain the business premises permit from the state authorities. In Anambra, Delta, Lagos and Ogun a separate visit to the state authorities to obtain the permit is no longer needed. The receipt issued by the designated bank showing that the business premises fee has been paid serves as proof of registration. Others states can follow suit, eliminate unnecessary steps and simplify the process.

In several states, complex fee schedules with many business categories and overlapping definitions can be subject to interpretation and create opportunities for negotiation. For example, more than a 100 business categories and associated fees are included in the business premises fee schedules in states such as Akwa Ibom, Anambra, Edo or Osun. By contrast, authorities in Bauchi and Bayelsa have chosen to group businesses into a limited number of categories (between 5 and 6) making schedule of fees easier to understand and less prone to interpretation. Other states could replicate the example of Bauchi and Bayelsa and streamline the different fee categories a company can be placed under.

Assess the feasibility of introducing a flat fee structure for the incorporation fee and the stamp duty fee

The fee for stamping the memorandum and articles of association by the Federal Inland Revenue Service and the incorporation fee charged by the Corporate Affairs Commission are based on the company's capital. These 2 fees combined are the second largest cost of business startup—after lawyer fees—for entrepreneurs in Nigeria.

Many countries introduced flat fees because the administrative process to register a company is the same regardless of capital or size of the firms registered. Moreover, the registration fee should not be used as a tax on the investment an entrepreneur is putting in the business. The registration fee then only varies in cases such as business inspections (safety, health or environment), where the size of the firm or the risk associated to the economic activity of the firm can affect the cost of the service. In 2009, Luxembourg replaced a 0.5% capital duty with a fixed registration fee of EUR75. The same year, Madagascar went even further and abolished stamp duty of any kind. Funds to pay for government services are raised through taxes paid by thriving businesses. Oftentimes, due to an increased volume in company registrations following such regulatory reforms, government revenues increase in spite of lower registration fees. When Malaysia reduced registration fees in 2008, new business registrations increased by 15.8% the following year.¹⁶

After conducting a revenue impact study, the Nigerian government could follow suit and consider introducing a flat fee structure, calculated on the actual administrative cost to process the application.

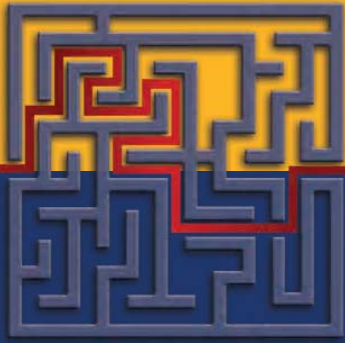
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9. The forms are available at the end of the *Companies Regulation 2012*, on the Corporate Affairs Commission website http://new.cac.gov.ng/home/wp-content/uploads/2013/11/Companies_Regulations_As_Ammended.pdf
10. In most states, the Ministry of Commerce is in charge of business premises registration.
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Dealing with construction permits



- Dealing with construction permits is easier in Jigawa, Sokoto and Osun.
- Although no reforms were implemented at the federal level, 8 states have made dealing with construction permits easier since 2010.
- Time variations across states are driven mainly by the issuance of the building permit: the process takes under 2 weeks in Enugu, Jigawa and Ogun while it can drag out to about 2 months in Adamawa, Akwa Ibom and Kaduna.
- Ogun is the state that has made the biggest strides, thanks to revamping the administration of its permitting system, introducing a standardized template for environmental impact assessment reports, and issuing certificates of completion immediately after the final on-site inspection.
- Less burdensome requirements and faster approvals of construction permits, like in Adamawa and Jigawa, would make Nigeria one of the best performers in this area, more efficient than the OECD average of 13 procedures and 147 days.

While in 2011 less than 50% of the Nigerian population was living in cities, the urban share is forecasted to increase to 57.9% by 2025 and to 71.3% by 2050.¹ Population growth and rapid urbanization bring both opportunities and challenges. It is estimated that 64% of the population in Nigeria lives in slums.² According to unofficial estimates, only about 20% to 40% of physical development is constructed with legal permits.³ This translates into public safety risks, such as collapsing buildings. However, things are changing: while Lagos was once cited as an example of a failed megacity and while most households continue to live in overcrowded and unsafe constructions with limited access to basic services,⁴ even this metropolis has made progress in improving infrastructure and services.

Striking the right balance between safety and efficiency is challenging. Smart regulations ensure public safety while remaining efficient, transparent and affordable. Denmark, New Zealand and Thailand are examples of countries that manage to regulate the construction industry with

relatively few bureaucratic procedures, yet their regulations are considered prudent and buildings safe.

Making it easy to deal with construction permits also helps the construction industry expand—more construction workers are employed and more materials and services are purchased from local suppliers. For every 10 jobs directly related to a construction project, 8 additional jobs may be created in the local economy.⁵

WHAT DOES DEALING WITH CONSTRUCTION PERMITS MEASURE?

To measure the ease of dealing with construction permits, *Doing Business* records the procedures, time and cost required for a small or medium-size business to obtain the approvals needed to build a simple commercial warehouse and connect it to water, sewerage and a fixed telephone line (figure 4.1). That includes all the inspections and certificates needed before, during and after construction of the

FIGURE 4.1 What are the time, cost and number of procedures to comply with formalities to build a warehouse?

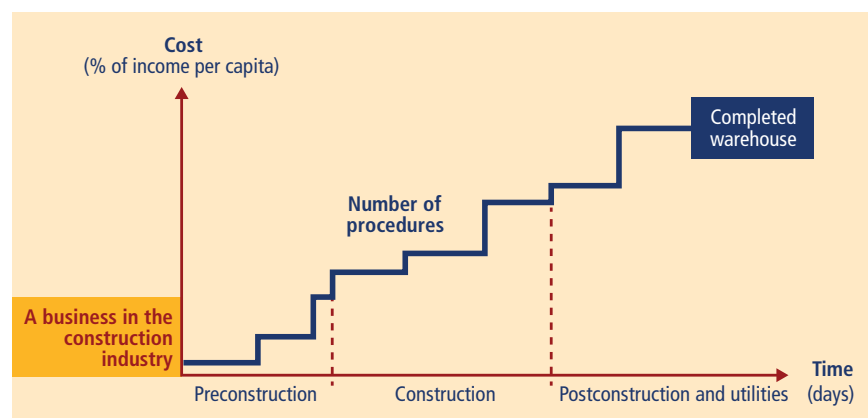
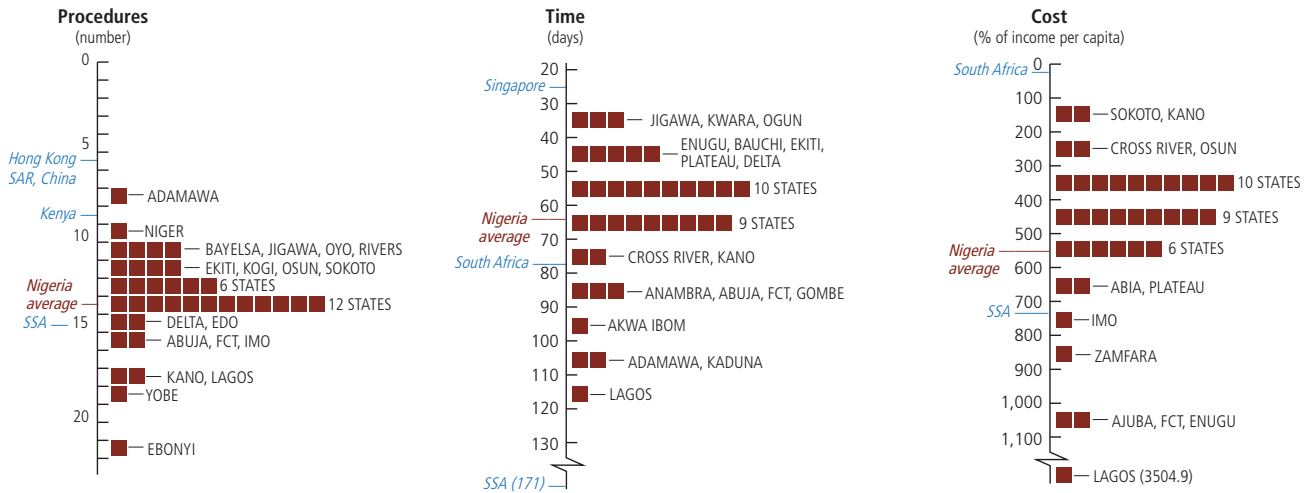


FIGURE 4.2 Dealing with construction permits in Nigeria compared globally



Note: SSA is the Sub-Saharan Africa regional average.
Source: Doing Business database.

warehouse. To make the data comparable across 189 economies, it is assumed that the warehouse is in the periurban area of the largest business city, is not in a special economic or industrial zone and will be used for general storage.

HOW DOES CONSTRUCTION PERMITTING WORK IN NIGERIA?

Across Nigeria, dealing with construction permits takes an average of 14 procedures and 63 days, at a cost of 565.4% of income per capita. This is almost 3 times faster and significantly cheaper than the Sub-Saharan Africa regional average, where dealing with construction permits requires 15 procedures, 171 days and 736.8% of income per capita (figure 4.2).

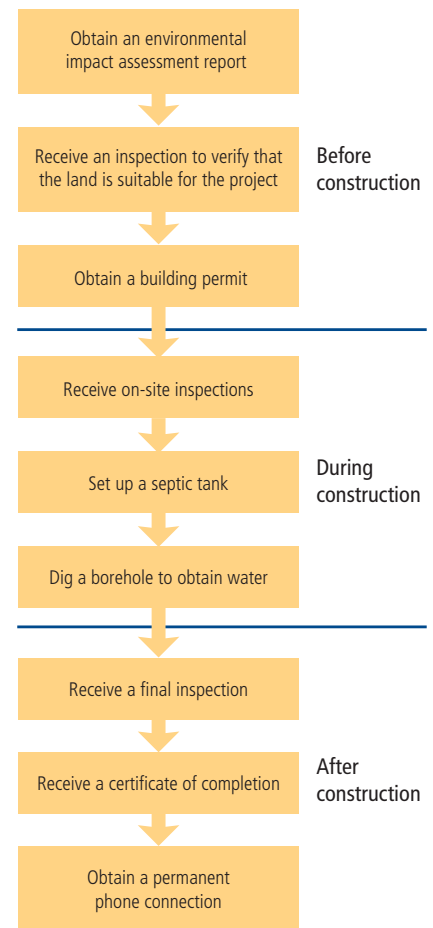
It is easier to comply with the formalities to build a warehouse and connect it to utilities in Jigawa and Sokoto and more difficult in Abuja, FCT and Lagos (table 4.1). Jigawa, Nigeria's best performing city, requires 11 procedures, 32 days, and 342.1% of income per capita. Compared globally, Jigawa would rank 34 among 189 economies on the ease of dealing with construction permits, according to *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*—ahead of Kenya (47) and Rwanda (85), but behind South Africa (26) and Namibia (31). Nigeria, as currently represented by Lagos, ranks 151 globally.

In 2006, the National Council on Housing and Urban Development drafted a building code to enhance safety in the building industry and create uniform quality standards for the design, construction and postconstruction phases. Provisions would regulate building inspections and the criteria associated with them. A certificate of completion from the town planning authority would also become mandatory. While this national building code has not been passed by the National Assembly, several states have adopted some of its provisions.

Each state has its own Urban and Regional Planning Law that sets out minimum constructions standards. As a result, dealing with construction permits varies widely across Nigerian states. Typically, the process includes obtaining an environmental impact assessment, applying for a building permit, receiving an inspection before the building permit is granted, obtaining the building permit, passing inspections during the construction phase, obtaining a certificate of completion, and connecting the building to utilities (figure 4.3).

The number of procedures to comply with these requirements varies from 8 in Adamawa to 22 in Ebonyi (figure 4.4). In the case of a simple construction project, applicants in Enugu, Jigawa, Kano, Kwara and Sokoto can submit the building permit application without the need of prior preconstruction clearances. On the other

FIGURE 4.3 Main stages of the construction permitting process in Nigeria



Source: Doing Business database.

TABLE 4.1 Where is it easy to deal with construction permits—and where not?

State	Rank	Procedures (number)	Time (days)	Cost (% of income per capita)
Jigawa	1	11	32	342.1
Sokoto	2	12	51	173.5
Osun	3	12	57	247.7
Ekiti	4	12	45	442.4
Niger	5	10	51	477.0
Bauchi	6	13	42	483.2
Kwara	7	13	38	521.4
Oyo	8	11	61	428.7
Katsina	8	14	53	369.1
Ondo	10	14	55	368.5
Rivers	11	11	65	393.9
Taraba	12	13	62	389.4
Delta	13	15	49	343.6
Adamawa	14	8	100	381.5
Kebbi	15	13	63	396.1
Ogun	16	14	39	541.3
Plateau	17	13	45	641.3
Cross River	18	14	72.5	214.6
Bayelsa	19	11	59	550.2
Kogi	20	12	58	540.7
Benue	21	14	66	391.2
Nasarawa	22	14	57	492.3
Enugu	23	14	40	1106.5
Zamfara	24	14	50	814.7
Gombe	25	13	86	455.4
Yobe	26	19	53	415.5
Kano	27	18	73	174.5
Anambra	28	14	83	461.1
Abia	29	14	63	611.0
Ebonyi	30	22	67	356.2
Akwa Ibom	31	14	99	498.3
Kaduna	32	14	105	513.9
Edo	33	15	66	567.9
Imo	34	16	63	723.4
Abuja, FCT	35	16	83	1020.4
Lagos	36	18	116	3504.9

Note: Rankings are based on the average city percentile rankings on the procedures, time and cost to deal with construction permits. See *Data notes* for details

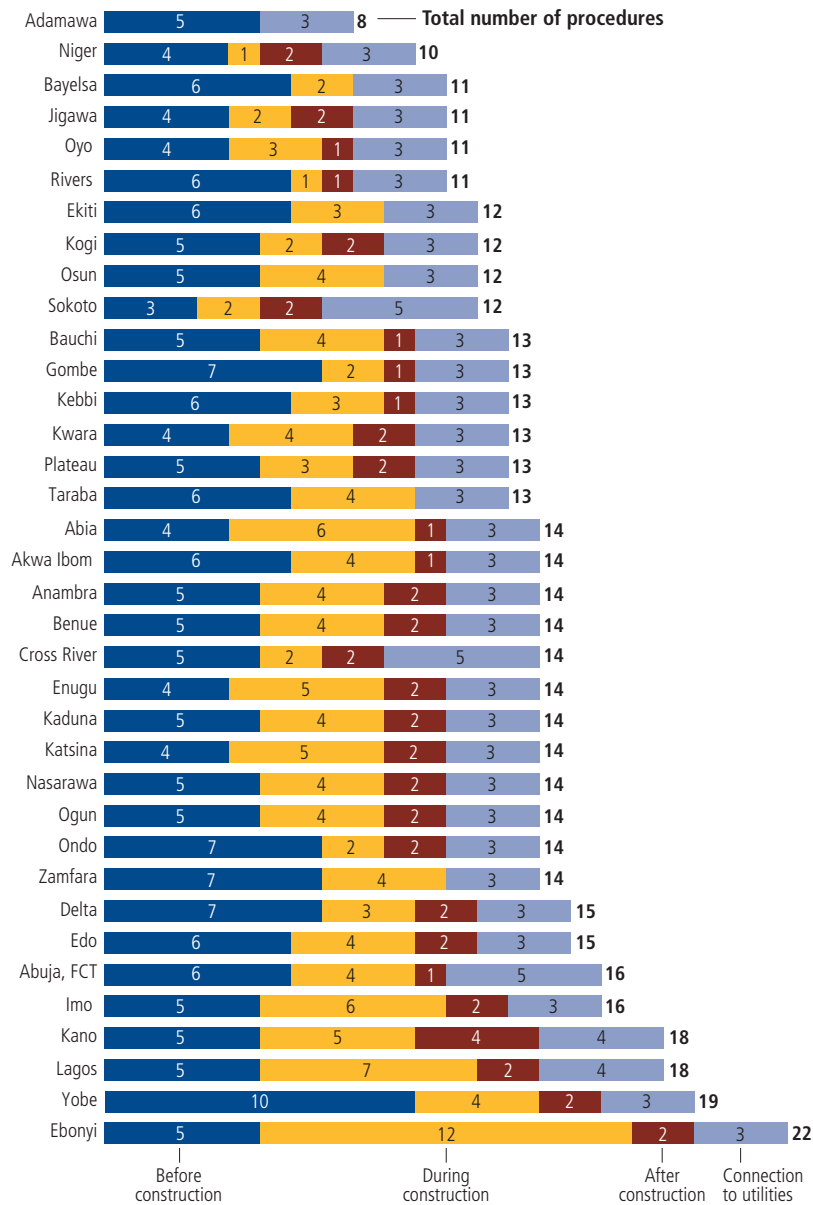
Source: *Doing Business* database.

hand, in 29 states, an environmental impact assessment is required prior to applying for a building permit for any project, regardless of the size and type of construction. In Adamawa, Akwa Ibom, Bayelsa, Ekiti, Lagos and Ogun, the applicant must obtain additional proof of land ownership, even if in possession of a certificate of occupancy.⁶ In Ondo, unlike in the rest of the states, 2 approvals of the building permit are mandatory before starting construction: 1) preliminary approval verifying that the project respects the city's zoning plans and 2) final approval authorizing start of the construction works.

The number of inspections during construction varies significantly across states. For a 30-week construction project, no inspections would take place during construction in Adamawa, while inspectors would visit the construction site 12 times in Ebonyi. In 19 states,⁷ buildings under construction are inspected only at critical stages—such as after the building foundation and at the laying of each additional floor. In the other states,⁸ the number of inspections is determined by the length of construction and by the availability of inspectors. In 23 states⁹ the certificate of completion is compulsory.

Delays in issuing a building permit are some of the main drivers of the time variations across states. While obtaining a building permit takes around 2 months in Adamawa, Akwa Ibom and Kaduna, the same process is carried out in less than 2 weeks in Enugu, Jigawa and Ogun. On average, builders spend more than a third of their time getting the building permit (figure 4.5). Preconstruction requirements also drive differences in time. For instance, developers in Enugu simply need to obtain a building permit for simple, low-risk projects—such as a commercial warehouse used for general storage activities—which takes just 13 days. Obtaining a building permit and all other preconstruction clearances for similar projects in Lagos takes nearly 5 times longer. Unlike in Enugu, developers in Lagos must obtain a soil investigation report (14 days), an environmental technical analysis report (7 days) and a certified true copy of the survey plan and of the land ownership title (3 days) before starting construction. Once these

FIGURE 4.4 There are large variations in the steps required to deal with construction permits across Nigerian states



Source: Doing Business database.

requirements are met, it takes 42 more days to obtain the building permit.

Making certificates of completion compulsory before a new construction can be occupied is meant to enhance safety. However, when the process to obtain such certificates is burdensome, developers tend to avoid them altogether and authorities face implementation challenges. In Anambra, obtaining a certificate of completion takes about 3 weeks once a final inspection is carried out. In Lagos

and Nasarawa, the same process takes 2 weeks. But in Jigawa, getting the certificate of completion requires only 1 day: once the construction is completed, the supervising engineer submits a report of completion to the Dutse Capital Development Authority, which performs a final inspection. If the inspection confirms what was stated in the report of completion, the applicant can occupy the building straight away. The Jigawa example shows that a safety measure can be introduced without creating further delays for developers.

The cost of dealing with construction permits varies considerably from state to state. In Sokoto (173.5% of income per capita) and Cross River (214.6% of income per capita), dealing with construction permits is 6 and 5 times less expensive than in Enugu, respectively. Each local authority establishes its own rates and method of calculating the building permit fee, which comprises one third of the total cost. For instance in Osun, building fees are fixed and categorized. In other states the fees are variable depending on the building size—for instance authorities in Plateau charge NGN500 (US\$3) per square meter of surface, while those in Abuja, FCT charge NGN350 (US\$2) per cubic meter.

Through the Land Use Act of 1978, the government appropriated lands on which local tribes lived. Since then, in some states local natives must be compensated when construction occurs. The compensation is typically provided in cash or by hiring natives as masons or security guards on the construction site. In 9 out of the 36 locations,¹⁰ an average compensation of NGN200,000 (US\$1,286) is paid.

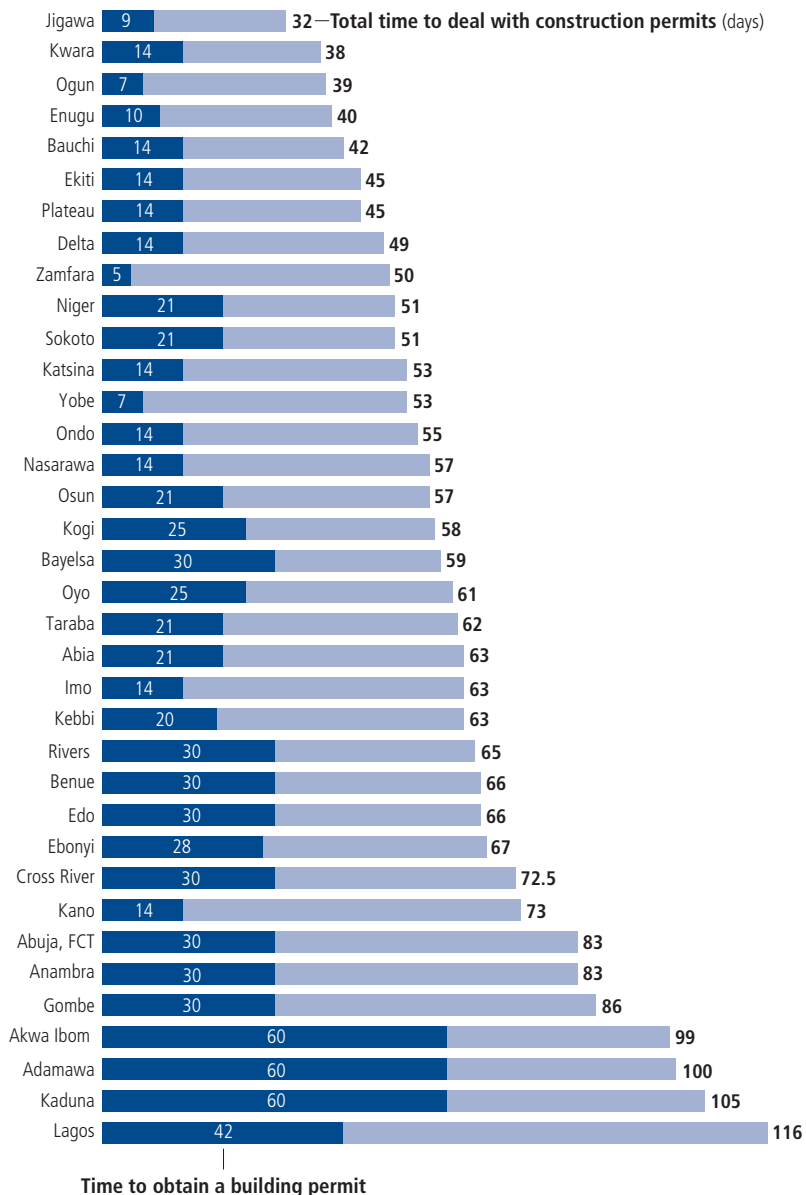
Only 5 states¹¹ have reliable water delivery systems, while none have a sewerage network. The most common solution is digging boreholes. Similarly, for sewerage, builders have to set up their own septic tank. The costs associated with digging boreholes and building septic tanks make connection to utilities the biggest share of the cost to deal with construction permits across states.

WHAT HAS IMPROVED SINCE 2010?

Since the publication of *Doing Business in Nigeria 2010*, no reforms have been implemented at the federal level. However, at the state level, Cross River, Delta, Ekiti, Enugu, Ogun, Oyo, Plateau and Rivers have made strides to improve the construction permitting process (table 4.2).

Ogun is the state that has improved the most since 2010: it radically transformed its construction permit system. As a result, it is now 23 days or 37% faster to deal with construction permits in Ogun than it was in 2010 (figure 4.6). First, thanks to the hiring of additional staff

FIGURE 4.5 Time to deal with construction permits across Nigeria



Source: Doing Business database.

and the revamping of the administration of the permitting system, it takes only 7 days now to obtain a building permit, compared to twice as long in 2010. In the past, the state's head office of the Urban and Physical Planning Board reviewed every building permit application. Since 2012 the state government authorities decentralized the approval system to the district offices, reducing the backlog in the head office. In addition, a Building Plan Approval Committee was created to identify causes of delays and monitor the decentralized district offices. The government set up a system of fines in

order to penalize officials for causing delays. Second, payments for building permits can now be made at a "point of payment" teller situated inside the district offices, allowing the applicant to file the request for a building permit and pay for it on the same day and in the same place. This innovation eliminates cash payments. Third, the time to obtain an environmental impact assessment has been reduced—from 14 days in 2010 to 5 days in 2014—thanks to the introduction of a "Service Level Agreement" with the private sector. A precise timeframe has been provided to all private professionals

entitled to produce environmental impact assessments, together with a "Standardized Government Template" of the report. Finally, certificates of completion are now issued on the spot, immediately after the final inspection—instead of 7 days later, as in the past.

Other states have successfully reduced delays by introducing one-stop shops and single-application forms. Oyo's ranking improved from 23 in 2010 to 8 in 2014—thanks to the introduction of the "Harmonized Demand Notice," a single form allowing applicants to submit the documents required for obtaining pre-construction approvals and for the building permit itself. This form is filed at the Oyo State Ministry of Physical Planning and Urban Development, which brings together all the expertise necessary to approve a construction project: town planners, mechanical engineers, structural engineers and representatives from the Ministry of Environment. Obtaining a building permit in Oyo now takes 25 days, compared to 50 days in 2010. Similarly, in Rivers, the introduction of a one-stop shop in 2011 reduced the time to obtain a building permit from 60 to 30 days. The state government of Delta introduced a new agency, the Delta State One-Stop Shop for Investors, which specifically caters to the needs of businesses. One of the benefits of a special window for businesses is that its staff becomes more knowledgeable and specialized. Moreover, it enhances cooperation among the various agencies that investors have to deal with—such as the Ministry of Land or the Ministry for Environment. Ekiti, Enugu and Plateau reduced the time to issue the building permit by restructuring their town planning authorities and by hiring new qualified staff.

Not all states have seen improvements since 2010. Bauchi, Benue, Edo, Gombe, Jigawa, Kano, Kebbi, Kogi, Kwara, Sokoto, Yobe and Zamfara introduced new requirements that make dealing with construction permits more cumbersome. In Gombe, for example, a soil investigation report is now required, regardless of the level of risk and location of the new construction, and 2 inspections are now carried out during the construction phase. Bauchi, Edo, Ekiti, Imo, Kano, Kogi, Kwara,

TABLE 4.2 Eight states made it easier to deal with construction permits since 2010

State	Improved administrative efficiency for permit applications	Introduced one-stop shops	Introduced online payment for building permits	Introduced additional requirements
Bauchi				X
Benue				X
Cross River	✓		✓	
Delta	✓	✓		
Edo				X
Ekiti	✓			
Enugu	✓			
Gombe				X
Jigawa				X
Kano				X
Kebbi				X
Kogi				X
Kwara				X
Ogun	✓			
Oyo	✓	✓		
Plateau	✓			
Rivers	✓	✓		
Sokoto				X
Yobe				X
Zamfara				X

✓ *Doing Business* reform making it easier to deal with construction permits

X *Doing Business* reform making it more difficult to deal with construction permits

*In most states, the Ministry of Commerce is in charge of business premises registration.

Note: This table records all *Doing Business* reforms that occurred between January 2010 and March 2014.

Source: *Doing Business* database.

Abuja, FCT and Plateau¹² increased the building permit fees.

WHAT TO REFORM?

Adopt good practices and exchange reform experiences with peers

Doing Business in Nigeria 2010 made several reform recommendations—such as introducing time limits and expediting the issuance of permits with fast-track procedures, simplifying preconstruction clearances, reducing building permit fees, and making the connection to utilities more efficient. These considerations remain valid for many Nigerian states. The good news is that some states have already acted upon the recommendations from 2010 by introducing impactful

reforms. Other states may not need to reinvent the wheel. They could simply look to reforming states to exchange experiences. This is particularly valid for dealing with construction permits, which tends to be highly autonomous and localized. One would expect greater opportunities for exchange of good practices and peer-learning.

Set national building standards

Setting minimum construction requirements at the national level would induce individual states to adopt uniform safety standards. Consulting stakeholders—such as building authorities, building practitioners and developers—would help ensure the successful implementation of these standards.

Nigerian lawmakers could look to international practices to adopt the best approach for the country. Adopting a national building code is one alternative. State governments could be allowed to adjust the national provisions to the specific needs of their respective administrative areas. In India, the 2005 National Building Code serves as a guideline for local authorities. The code sets minimum standards for architectural and structural security, avoiding fire hazards, the health conditions of buildings, development control rules, the safety of workers and public during construction, the design of utilities installations, administrative procedures and more. Local governments in India can choose to adopt the code entirely, or to modify their own regulations to meet the provisions set at the federal level.

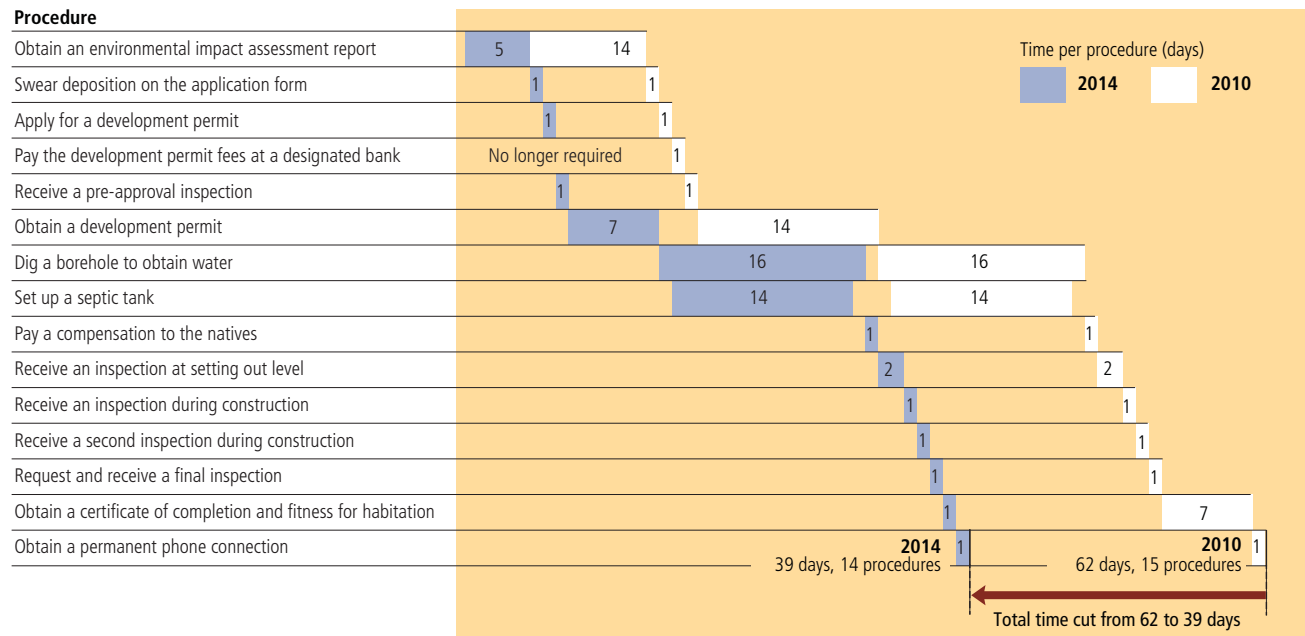
The United States takes a different approach, where the “International Code Council” (ICC) develops a wide range of model codes—such as building codes, fire codes, mechanical codes and zoning codes. State governments can adopt these models and make adjustments with local bylaws. Instead of being a regulator, the ICC is a source of knowledge and good practices for the states.

Establish a risk-based system for environmental approvals

In many Nigerian states, all commercial constructions are subject to the same environmental review. But not all buildings have the same environmental impact. A hospital or skyscraper cannot be compared with a 2-story commercial warehouse for non-perishable goods. An international good practice is to categorize buildings depending on their environmental impact and adjust requirements accordingly. Simple, low-risk buildings should have less rigorous approvals.

There are 7 Nigerian states that do not require an environmental impact assessment.¹⁴ However, removing the requirement is not a solution in itself. A clear risk-based system along with rigorous enforcement is essential. This system would also ensure that more complex and environmentally risky projects are properly scrutinized and the environment and public safety are protected.

FIGURE 4.6 Ogun radically transformed the construction permitting process



Source: Doing Business database.

An example of such a reform was implemented in Botswana, where Environmental Assessment Regulations were recently adopted. Before, all developers had to undergo a preliminary environmental impact assessment. The new legislation lists and clearly defines 16 project categories for which environmental impact assessments are required and should be expected by developers.¹⁵ Simple buildings that are not environmentally hazardous are exempt.

Make the permitting process more transparent

The lack of transparency is a major challenge for the Nigerian building sector, as evidenced by the country's low rank on the Jones Lang LaSalle Global Real Estate Transparency Index: 96 out of 97.¹⁶ Other research shows that Nigeria's construction sector is particularly prone to corruption.¹⁷ World Bank data show that in Nigeria 53% of firms are expected to give gifts to get construction permits.¹⁸ Where the construction permitting process is less cumbersome, the level of corruption is lower (figure 4.7).

In many Nigerian states, building permit applications are often rejected because of minor errors. Checklists of what is necessary save time both for applicants

and approving authorities. Cross River and Plateau offer good examples. In both states, applicants can find checklists of the required steps and documents they need to submit to the town planning authority. Additionally, in Cross River, there is a dedicated hotline providing information on construction permits and the Geographical Information Agency web portal provides guidelines and fee schedules online.

Facilitating public access to information strengthens governance, fosters accountability and improves transparency. There is evidence that the availability of basic regulatory information, such as fee schedules, on public billboards or in brochures is associated with lower costs, better regulatory quality and greater overall regulatory efficiency.¹⁹ In Egypt, for example, the executive regulations of the Egyptian Building Law include useful sample forms—such as a model “site validity” certificate, a building permit application form and inspection sheets.

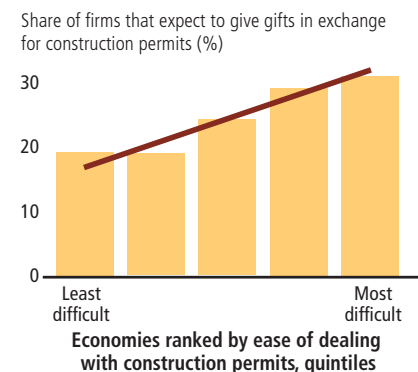
Regulate inspections during constructions

In many states inspections are conducted randomly, and their frequency depends on the duration of the construction works. These states could replicate good

practices found in other states where inspections are limited to the critical stages of the construction process. Switching from random to phased inspections would help authorities focus on safety concerns without imposing overly burdensome processes upon developers.

Nigerian federal and state authorities could also look to international good practices to regulate inspections. For example,

FIGURE 4.7 Less cumbersome requirements in dealing with construction permits are associated with lower levels of corruption



Note: Relationships are significant at the 1% level and remain significant when controlling for income per capita.
Source: Doing Business database; World Bank Enterprise Survey database.

risk-based inspection systems—where the supervisory bodies must consider the potential risks imposed by a building, rather than applying the same inspections standards to all constructions—have become increasingly popular over the past decade. Risk-based inspections allow planning authorities to concentrate manpower on riskier projects, such as high rises or complex structures, without compromising worker and public safety.²⁰ However, their effectiveness depends on several factors—including a comprehensive classification of risks for building categories, typically defined by size, construction method, and final use. The classification determines requirements for each building type and creates a transparent framework for enforcement agencies and building practitioners. A good case in point is the European standard EN 1990. This standard sets 3 “consequence classes,” as determined by the risks to users as well as social and economic consequences. Each consequence class includes recommended interactions with building authorities.²¹

Develop an electronic platform for the construction permit administration

Currently, most building permit applications are processed manually. In economies like Nigeria, which is rapidly urbanizing, building agencies are facing increasing workloads. It would be advantageous to computerize their systems so that building information can be stored in a manner that is easily accessible and development requests can be cross-checked for ownership, compliance, permits and inspections. Electronic platforms are less labor-intensive than manual processes.

Some large urban centers in Sub-Saharan Africa have started implementing such initiatives. The City Council of Nairobi recently started to implement its Electronic Construction Permit system. This Electronic Construction Permit system will allow property developers, architects, and the city council staff to conduct their business online. While Nairobi’s new system is not yet fully implemented, it can still serve as a model for other urban centers seeking to digitize their building application and permit process.

Automating the construction permitting process from scratch can be a daunting task. It is typically linked to larger regulatory reforms and e-government programs. Core staff will have to be trained to operate and maintain electronic systems. Last but not least, the right technological infrastructure and high levels of internet penetration are important prerequisites.

Issue the certificate of completion immediately after final inspection

Following the final inspection, builders go back to the municipal authority to request a certificate of completion, which certifies that the building is constructed in line with the permit issued. In 8 states,²² the certificate of completion is issued on the spot along with the final inspection. This is a good practice that could be adopted by other states.

In Canada, if all required inspections have been carried out and the building is deemed substantially complete and fit for occupancy, the completion certificate is issued—avoiding any additional interactions for the builder. In Portugal, the municipality of Lisbon adopted a tracking system that is automatically updated once the final inspection takes place. The certificate of completion is therefore ready immediately after the final inspection.

Assess the feasibility of lowering building permits costs and introducing flat fees

In many economies, building permit fees are based on the principle of cost recovery for the service provided, rather than being treated as a source of revenue for state governments. During 2013/14, 6 economies measured by *Doing Business* reduced building permit fees. For instance, Sri Lanka lowered the cost of dealing with construction permits from 33.7% to 18.4% of income per capita by no longer requiring a tax clearance and by eliminating the development tax.

When the fees are based on the building or development size, as is usually the case in Nigeria, high costs might encourage applicants to submit fictitious plans to lower their fees. Introducing flat fees

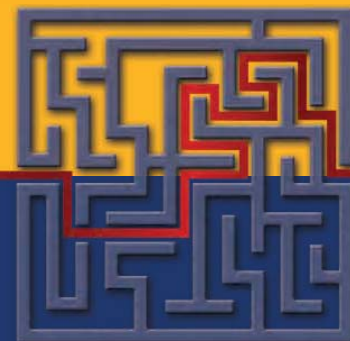
for each category of buildings instead of fees based on building size could remove this incentive to falsify documents.

NOTES

1. United Nations, Department of Economic and Social Affairs, Population Division. 2011. *World Urbanization Prospects: The 2011 Revision*. New York: United Nations.
2. UN-HABITAT Data. Accessed June 2014. <http://www.devinfo.info/urbaninfo/>
3. Nwaka, Geoffrey. 2005. “The Urban Informal Sector in Nigeria: Towards Economic Development, Environmental Health, and Social Harmony.” *Global Urban Development Magazine* 1 (1).
4. Akinwale, Olaoluwa Pheabian et al. 2013. “Living Conditions and Public Health Status in Three Urban Slums of Lagos, Nigeria.” *South East Asia Journal of Public Health* 3(1).
5. PricewaterhouseCoopers. 2005. *Economic Impact of Accelerating Permit Processes on Local Development and Government Revenues*. Washington, DC: American Institute of Architects.
6. In Nigeria, certificate of occupancy is the term used for certificate of land ownership. This is not to be confused with certificates of occupancy related to buildings.
7. Abia, Anambra, Bauchi, Benue, Ebonyi, Ekiti, Enugu, FCT, Imo, Jigawa, Kano, Kebbi, Kogi, Lagos, Nasarawa, Plateau, Rivers, Yobe and Zamfara.
8. Akwa Ibom, Bayelsa, Cross River, Delta, Edo, Gombe, Kaduna, Katsina, Kwara, Niger, Ogun, Ondo, Osun, Oyo, Sokoto and Taraba.
9. Abia, Akwa Ibom, Anambra, Benue, Cross River, Delta, Ebonyi, Edo, Enugu, FCT, Imo, Jigawa, Kano, Kogi, Kwara, Lagos, Nasarawa, Niger, Ogun, Ondo, Plateau, Sokoto and Yobe.
10. Abia, Akwa Ibom, Anambra, Delta, Edo, Enugu, FCT, Imo and Ogun.
11. Cross River, FCT, Kano, Lagos and Sokoto.
12. In these states the fees are higher than in the past in absolute terms. In terms of gross national income (GNI) per capita, the costs are, however, lower than in 2010, given the 43% growth in GNI over the past 4 years.
13. See the International Code Council website at <http://www.iccsafe.org/>
14. Anambra, Ebonyi, Enugu, Jigawa, Kano, Kwara, and Sokoto.
15. The project categories include: 1) environmentally sensitive areas, 2) transboundary projects, 3) extractive industries, 4) waste management, 5) energy industry, 6) infrastructure development, 7) chemical, rubber and plastic industry, 8) food industry, 9) leather and textile industry, 10) wood and paper industry, 11) weapons industry, 12) tourist enterprises, 13) recreation related

- infrastructure, 14) agriculture projects, 15) programmes on land settlement plans, and 16) other (this category includes some specific project categories that do not fall under the previous 15 categories). The entire regulation can be found here: <http://www1.eis.gov.bw/EIS/EIA/default.aspx>.
16. Jones Lang LaSalle. 2012. *Global Real Estate Transparency Index*. Global Foresight Series 2012.
 17. Kenny, Charles. 2007. "Construction, Corruption, and Developing Countries." World Bank Policy Research Working Paper 4271. Washington, DC: World Bank.
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 19. Geginat, Carolin, Adrian Gonzalez and Valentina Saltane. 2012. *Transparency and Access to Information in Business Regulation*. Washington, DC: World Bank Group.
 20. Delion, Marie Lily and Joyce Ibrahim. 2013. "What Role Should Risk-Based Inspections Play in Construction?" *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*. Washington, DC: World Bank Group.
 21. World Bank. Investment Climate Department. 2013. *Good Practices for Construction Regulation and Enforcement Reform Guidelines for Reformers*. Washington, DC: World Bank Group.
 22. Cross River, Jigawa, Kogi, Kwara, Ogun, Ondo, Plateau and Yobe.

Registering property



Secure property rights support investment, productivity and growth.¹ With land and buildings accounting for between half and three-quarters of the wealth in most economies, having an up-to-date land information system clearly matters.² Formally registered property owners have a better chance of getting credit when using their property as collateral. Efficient property registration systems have many other benefits. Property owners with registered titles are more likely to invest. In Argentina, a study observed greater investment in homes after formal titles were granted to squatters. Compared with the squatters who did not receive titles, title-holders increased the quality of their homes by 37%.³ The benefits of land registration go beyond the private sector. Timely land information allows governments to map out needs in cities and plan the provision of services and infrastructure.⁴ It can also benefit governments through higher tax revenues.

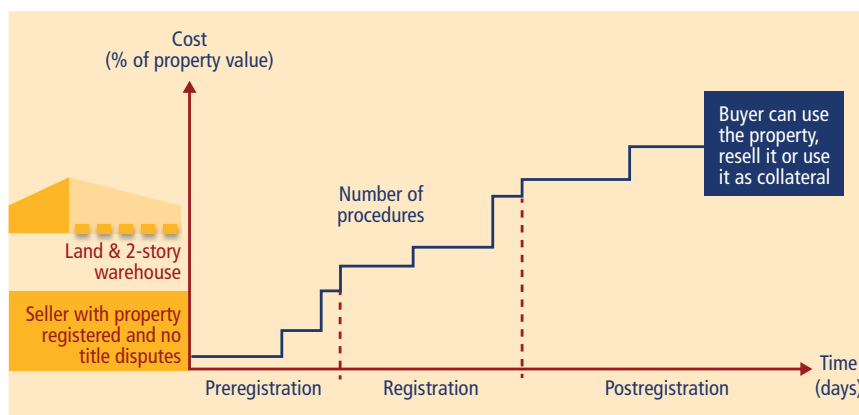
According to the World Bank Enterprise surveys, access to finance is the second most important concern for businesses in

Nigeria—after access to electricity. In Nigeria, 89% of business loans are backed by collateral.⁵ Yet, according to anecdotal evidence, the overall percentage of land formally registered across Nigeria might be as low as 3%.⁶ More titled properties could benefit Nigerian entrepreneurs. Entrepreneurs with formal land titles have a better chance of getting credit, because they can use their property as collateral.

WHAT DOES REGISTERING PROPERTY MEASURE?

Doing Business records the full sequence of procedures needed for a business to purchase an immovable property from another business and formally transfer the property title to the buyer's name (figure 5.1). The process starts with obtaining the required documents, such as a copy of the seller's title, and ends when the buyer is registered as the new property owner. Every procedure required by law or necessary in practice is included, whether it is the responsibility of the seller or the buyer and even if it must be completed by a third party on their behalf.

FIGURE 5.1 What are the time, cost and number of procedures required to transfer property between 2 local companies?



- Despite a shared legislative framework, there are marked differences among the states in registering property: the top 18 performers in Nigeria can register property 34 days faster and are about 30% less expensive than the bottom 18 performers.
- Uneven implementation of federal legislation and differences in state fees drive the large variation in the cost to register property in Nigeria: it costs from 7.7% of the property value in Yobe to 26.4% in Edo.
- Since 2010, 10 states have implemented reforms making it easier to register property—with Cross River and Niger making the biggest strides.
- The increased use of information and communication technology—digitization of land records and introduction of geographical information systems—along with the delegation of governor's power to grant consent were among the most popular reforms in this area.
- Registering a property title in 9 procedures (as in Imo, Kano, Kwara, and Zamfara), over 23 days (as in Jigawa), at a cost of 7.7% of property value (as in Yobe), would improve Nigeria's global ranking by 44 places—placing it ahead of France and Mexico.

HOW DOES REGISTERING PROPERTY WORK IN NIGERIA?

Administratively, the Land Registration Act of 1924 regulates property registration in Nigeria. In accordance with the 1978 Land Use Act, all land within the territory of a state is vested with its governor, making his consent mandatory for any property transfer. States operate autonomous registries that are not consistently connected among each other and can legislate individually on mapping issues. All registries operated on paper until 2004; since then, a fifth of them have started digitizing records (box 5.1).

Under the statutory land ownership system, registering a property in urban areas across all states follows the same stages. First, due diligence is conducted on the property files to search for encumbrances and determine if the property is subject to overriding interests such as government acquisition. Then parties sign the sale deed with a lawyer, which is submitted for the governor's consent. An inspection of the property determines its value, based on which state and federal transaction taxes and fees are calculated. Finally, the title is registered under the buyer's name. Most procedures are conducted at the Land Registry or the Geographic Information System agency.

On average, in 35 Nigerian states and the capital, an entrepreneur has to go through 11 procedures, wait 78 days, and pay 15.8% of the value of the property to transfer a property (figure 5.2). Only 6 other countries in Sub-Saharan Africa have lengthier processes.⁷ And only 5 countries, out of 189 benchmarked by *Doing Business*, are more expensive (figure 5.3).⁸ Some entrepreneurs opt for alternative methods. One commonly used is the “power of attorney”, which transfers the right to use a property without full legal protections. Although binding for the buyer and seller, this agreement is not opposable against third parties and the property cannot be used with a bank as collateral for a loan.

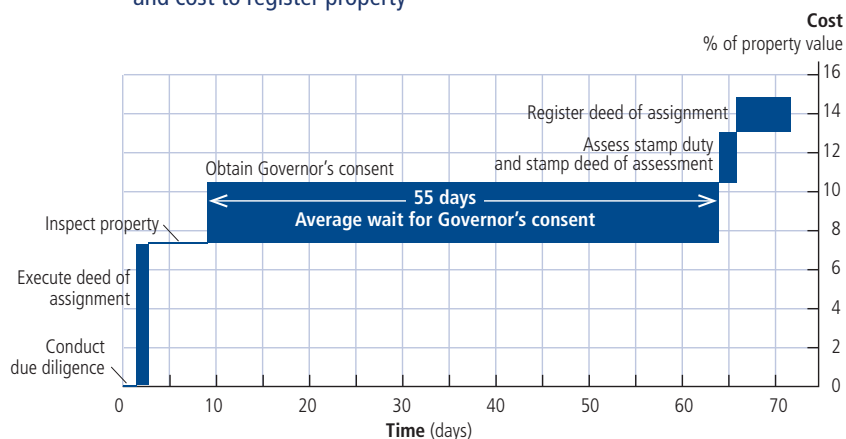
Despite the fact that the same national legal framework governs property registration, practices vary greatly among the states. The top 18 performers in Nigeria register property 34 days faster and are

BOX 5.1 Customary land tenure in Nigeria

Both customary and statutory land ownership coexist in Nigerian states. The formal laws, mostly based on common law, govern the statutory land tenure. In rural areas, customary law prevails. In the latter system, ownership, use and transfer of property are administered according to customs and ruled by the community. Officials from Zamfara state estimated that “around four-fifths of property transactions are customary transfers.”¹ People who follow the statutory system still try to comply with traditional customs by seeking approval from traditional rulers. According to observers, informal property transfers still dominate in Nigeria and customary law continues to govern land tenure for the majority of Nigerians.²

1. Source: *Doing Business* database—obtained in February 2014 during consultative meetings with Zamfara authorities.
2. USAID. Rights and Resource Governance. *Nigeria Country Profile*.

FIGURE 5.2 Six procedures required in all Nigerian states constitute the bulk of the time and cost to register property



Source: *Doing Business* database.

about 30% cheaper than the bottom 18 performers. The process is easiest in Zamfara, Gombe and Katsina, and more burdensome in Oyo and Abia (table 5.1). Zamfara and Gombe were already at the top of the ranking on the ease of registering property in *Doing Business in Nigeria 2010*. Other states—like Niger and Cross River—reformed and moved closer to the top.

In Imo, Kano, Kwara and Zamfara, 9 procedures are required to register property. At the other end of the spectrum, 15 procedures are needed in Oyo, including 6 separate visits to the Ministry of Lands. In Akwa Ibom, Gombe, Jigawa, Kebbi, Kwara, Niger and Plateau, the applicant has to travel to a neighboring state—increasing delays and costs—because there is no local office to assess the stamp duty fee or stamp the deed of assignment. In Rivers, the deed of assignment must also

be notarized by the magistrates' court. In Delta, Lagos, Nasawara, Ogun, and Taraba, an additional Certified True Copy of the title must be obtained, even when the seller is in possession of the original.

The time it takes to register property varies from 23 days in Jigawa to 212 days in Anambra. The governor's consent is the main bottleneck in many states (figure 5.2). Inspection of the property by government officials or independent valuers takes, on average, 7 days—from 2 days in Katsina to 21 days in Ogun. Registering the deed of assignment at the Land Registry can take from 1 day (in 10 states) to 1 month in Adamawa. The title search ranges from 1 day (in 22 states) to 1 week in Kano and Osun.

The cost to register property varies from 7.7% of the property value in Yobe to 26.4% in Edo. Four types of taxes and

TABLE 5.1 Where is it easy to register property—and where not?

State	Rank	Procedures (number)	Time (days)	Cost (% of property value)
Zamfara	1	9	31	8.0
Gombe	2	10	24	10.6
Katsina	2	10	32	9.6
Jigawa	4	11	23	10.6
Kano	5	9	45	11.9
Niger	6	10	42	13.8
Abuja, FCT	7	10	51	13.2
Bauchi	8	11	33	15.7
Yobe	9	11	87	7.7
Benue	10	10	99	11.1
Kogi	11	11	35	15.8
Taraba	12	11	36	15.7
Enugu	13	12	64	11.7
Cross River	14	12	48	15.3
Plateau	15	10	68	17.6
Kwara	16	9	74	21.0
Kebbi	17	10	196	12.0
Nasarawa	18	12	105	10.9
Adamawa	19	11	122	12.1
Bayelsa	20	12	82	14.3
Ebonyi	21	12	86	14.2
Ondo	22	12	56	18.6
Sokoto	22	12	85	15.1
Akwa Ibom	24	13	55	15.6
Ekiti	24	12	55	23.3
Kaduna	24	12	112	13.8
Imo	27	9	146	21.4
Ogun	28	12	98	16.1
Delta	29	12	80	25.7
Osun	30	12	91	22.3
Lagos	31	13	77	20.8
Anambra	32	13	212	12.8
Rivers	33	12	112	23.1
Edo	34	13	67	26.4
Oyo	35	15	60	23.8
Abia	36	13	108	15.9

Note: Rankings are based on the average city percentile rankings on the procedures, time and cost to register property. See Data notes for details.

Source: *Doing Business* database.

fees—the consent fee, registration fee, stamp duty, and search fee—are required in all states, yet their costs differ significantly (figure 5.4). The consent fee ranges from a low flat fee of NGN1,000 (US\$6) in Taraba and NGN3,000 (US\$19) in Bauchi and Zamfara to 10% of the property value in Ekiti, Osun, Oyo and Rivers and 15% in Delta. Similarly, the registration fee ranges from a low flat fee of NGN2,500 (US\$16) in Akwa Ibom to 5% of the property value in Bauchi, Kano, Sokoto and Taraba. According to the federal Stamp Duty Act of 1939, the stamp duty is 2% of the property value for property transfers between businesses. In practice, only 7 states charge 2%⁹ while most states charge 3%. At 5% of the property value, the stamp duty in Edo state is more than double the federal guideline. Five states charge less: from 0.75% to 1.5%.

According to the federal Capital Gains Tax Act of 1990, the capital gains tax is 10% of the seller's profit—defined as the difference between the selling price and the purchasing price, subtracting the cost of improvements to the property. In practice, several states levy this tax as a percentage of the property value rather than the gain, with rates ranging from 2.5% of the property value in Delta to 5% in Abia, Edo, and Plateau.

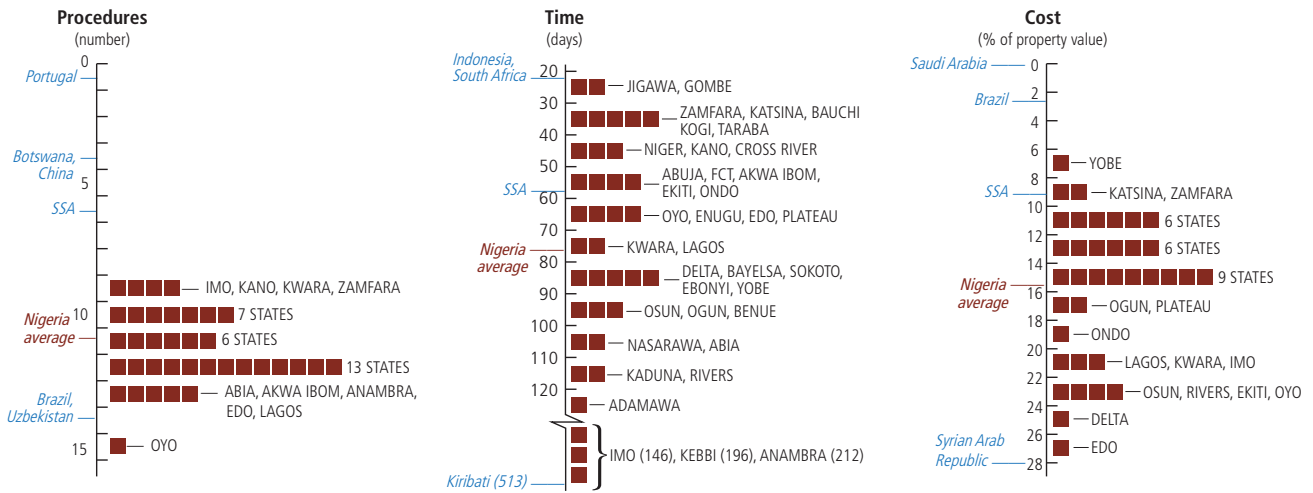
On average, legal fees account for 47% of the total cost to register property. While the law does not mandate hiring a lawyer, most people do so to help them navigate the complex process of registering a property. In most states, legal fees amount to 10% of the property value; in Yobe and Kano lawyer fees are the lowest, at 2.5% and 3.75% of property value, respectively.

WHAT HAS IMPROVED SINCE 2010?

Since the publication of *Doing Business in Nigeria 2010*, 10 states implemented reforms which made it easier to register property (table 5.2).

Six states improved the operations of their land registries and 3 of them started digitizing records. The Cross River Geographic Information Agency became operational in summer 2012, reducing by a third the time to transfer property—down from 70

FIGURE 5.3 Compared globally, Nigerian states lag behind in property registration



Note: SSA is the Sub-Saharan Africa regional average.
Source: Doing Business database.

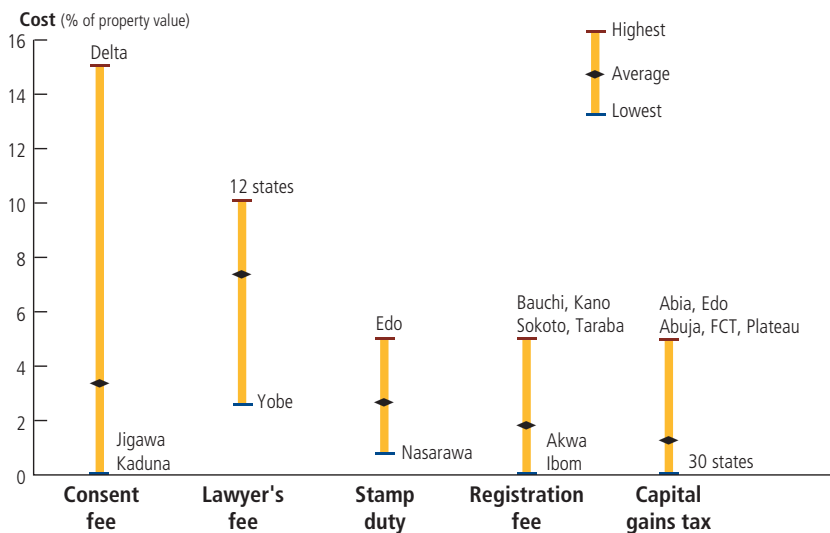
days in 2010. The agency merged cartography, statistics and land documents in 1 database and scanned and indexed maps and certificates of occupancy. Property title searches and certificates of occupancy are now administered through its Geographic Information System. The Cross River Geographic Information Agency facilitated access to information, offering a checklist of all documents required at its front desk, on its notice board and on its website. Bayelsa, Nasawara, Niger, Rivers

and Plateau also established Geographic Information System agencies.

Four states improved the mechanism by which the governor’s consent for property transfers is obtained. In Bauchi, the Governor delegated the power of consent to a special assistant, reducing the delay from 2 months in 2010 to just over 2 weeks in 2014. In Rivers, the time required was cut in half, from 6 to 3 months, after the power of consent was delegated to its attorney general. In Niger, a combination of reforms reduced the time to register to

1 month—down from 2 months in 2010. First, the Governor of Niger delegated the authority of consent to the Commissioner of Lands. Second, the state introduced a policy of expediting approvals and assisting businesses in order to increase investor confidence. Finally, in 2011, the Niger Geographic Information System was established. One of its main objectives was the regularization of Niger’s titles—converting them from customary to formal, statutory titles. Meanwhile, in Jigawa, the Governor’s consent takes 7 fewer days now—thanks to better internal communication, more efficient procedures and increased use of information technology at Jigawa’s Land Registry. Where the power to grant consent was delegated, it takes, on average, 45 days to register property—half the time it takes in the states where the power lies solely with the governor (figure 5.5).

FIGURE 5.4 Property registration fees vary greatly across Nigeria



Source: Doing Business database.

However, as some Nigerian states currently show, delegating the governor’s power of consent should be accompanied by streamlined workflows and review processes in order to ensure that approvals are delivered more efficiently. Take Kano, for example: rapid urban expansion and development has resulted in a higher volume of transactions and longer delays to obtain consent. Waits in Kano doubled from 15 to 30 days, compared to 4 years ago—even though the authority to grant consent has been delegated

TABLE 5.2 Who made it easier to register property since 2010?

State	Digitized/improved efficiency of property registry	Sped up/delegated governor's consent	Reduced fees	Opened a Stamp Duty Office
Bauchi	✓	✓	X	
Cross River	✓			✓
Ekiti			✓	
Enugu		✓		
Jigawa	✓			
Kano		X		
Katsina			✓	
Niger	✓	✓		
Ogun	✓			
Ondo			✓	
Rivers	✓	✓		
Taraba		X		

✓ *Doing Business* reform making it easier to register property

X *Doing Business* reform making it more difficult to register property

Note: This table records all *Doing Business* reforms that occurred between January 2010 and March 2014.

Source: *Doing Business* database.

to both the Commissioner of Lands and the Permanent Secretary of Lands since 2009. Physical inspection of the land plot also takes twice as long as it did in 2010. Meanwhile, Taraba removed the delegation of power previously given to the Permanent Secretary of the Ministry of Lands.

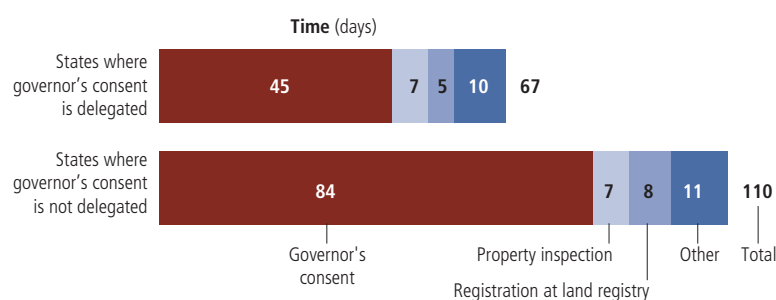
Three states made property transfers more affordable over the past 4 years. In Ondo and Ekiti the consent fee was cut significantly: from 10% to 5% of property value in Ondo and from 15% to 10% of the property value in Ekiti. At the same time, Katsina cut its stamp duty fee from 3% to 1.5% of property value. Bauchi, on the other hand, increased the registration fee from 3% to 5% of property value.

WHAT TO REFORM?

Consider the costs and benefits of a high-level approval or simplify the workflow and review process

The governor's consent requirement, introduced by Nigeria's 1978 Land Use Act, was adopted in order to reduce conflicts deriving from overlapping ownership claims. Globally, less than 10% of the 189 economies measured by *Doing Business* require such a high-level approval for property transfers. Abolishing the requirement could speed up property registrations. Burkina Faso and Cote d'Ivoire have already done so, thus decreasing property transfer time by 67 days and 365 days, respectively.

FIGURE 5.5 The governor's consent remains a bottleneck everywhere, but the wait is shorter in states that delegate the power to consent



Source: *Doing Business* database.

Nigeria's Land Use Act explicitly mentions that the governor can delegate his power of consent to the land commissioner or to another official. Niger, Bauchi and Rivers have recently delegated the governor's consent and reduced delays by 30, 43 and 90 days, respectively. But delegating governor's consent is not a solution in itself. Even in states where there is delegation, the average time to obtain the consent is 1.5 months. In order to make property registrations more efficient, states should streamline communication and workflows between the relevant departments so that officials keep accurate and up-to-date records of payments and movements of files. This would avoid the need for officials to conduct repetitive document checks that cause delays.

Lower the taxes and other fees levied by local, state and the federal governments for property transfers

Property registration in Nigeria is among the most expensive in the world. Entrepreneurs have an incentive to undervalue their property or stay informal, which reduces fiscal revenues for the government. States could explore the possibility of reducing taxes and fees or replacing them with lower flat fees. The taxes and fees that merit review are the consent fee, stamp duty and registration fee—which together cost more than 7.5% of the property value, on average. The consent and registration fees fall under state authority while the stamp duty is collected by the federal government when a property transaction is executed between 2 companies.¹⁰ In addition, the capital gains tax should be properly enforced, according to the letter of the law.

Elsewhere in the region, Mali, Benin, Guinea-Bissau and Senegal have reduced their taxes and fees by more than 5% of the property value since 2008, on average. After Burkina Faso cut its registration taxes in half, to 8% back in 2010, property registrations increased by 63% in the country as a whole—and by 93% in the capital city.

Digitize land records

Nigeria's registries could consider digitizing property records to streamline the

registration process. Once computerized, the various departments holding land records could electronically link systems to improve information sharing and coordination. Digital records take up less space and backup copies ensure property records will not be compromised in the event of natural disasters or political strife. Computerized records also offer more security to title-holders, since they are more difficult to misplace or alter.

Worldwide, 60% of economies have electronic files for their property registries.¹¹ Registries with electronic records are twice as fast as registries operating on paper. Globally, 45 economies have made records electronic over the past 5 years. In those economies, the average time to transfer a property was cut in half—from 64 to 32 days. For example, Tunisia computerized its Land Registry, reducing the time it takes to check for encumbrances to just 1 day in 2010. In Angola, the computerization of the Land Registry started in 2004. The first phase of the reform was to digitize old property titles. This effort covered about 25,000 of its 50,000 titles by June 2008. One year later, the digitization of all the registry data was almost complete. As a result, time to transfer property in Angola's capital city Luanda has been reduced by 43%—from 334 to 191 days.

Inspiration can also be found at home. Abuja, FCT; Bayelsa, Cross River, Nasawara, Niger, Plateau and Rivers are using Geographic Information Systems to capture and store land information in a digital format. Abuja, FCT, which pioneered the digitalization process in 2004, is now implementing a Global Positioning System and cloud technology for its maps.

Improve property valuation

On-site inspections for assessing the value of lands and buildings to be sold are common across Nigeria. Entrepreneurs who rely on government valuers often facilitate the process by providing private transportation and maintaining good personal relationship to avoid overvaluation. It is important to enforce a common methodology to ensure uniformity and consistency in the valuation process.

Ethiopia reformed property valuation in 2009. Previously, buyers used private valuers to estimate property value. After the reform, property values are estimated using a master table of set property values according to zonal classification. This reform also eliminated the need to physically inspect property sites for valuation.

Only one-fifth of OECD high-income economies require a physical valuation when transferring property. Nigerian states may consider introducing standardized values for properties, based on the location, size, and/or level of development. Lagos is already considering mass valuations to ascribe values to properties.

Increase transparency and clarify tax powers

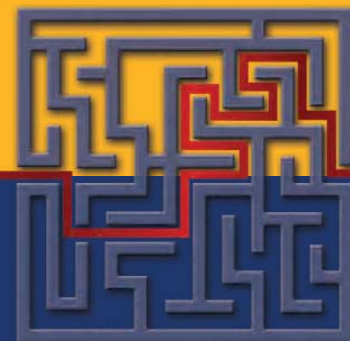
In most states, it is difficult for entrepreneurs to know all the requirements and associated costs to transfer a property title. Even public officers sometimes lack clear guidance about the right regulations and fee schedules. As one official put it: “the stamp duty payable in respect of transfer of property between companies is often mistakenly paid into the state sub-treasury...” As the law states it, the federal government is the only competent authority to charge and collect stamp duty fee if the transaction relates to property sold between companies.¹² Clarifying the taxation powers of each level of government could be improved by developing precise guidelines to define the relevant taxes, fees and levies required to register property. Improving communication between tax authorities and government agencies can also help ensure higher compliance to regulations.

Making information more accessible to the public strengthens governance, fosters accountability and improves transparency. Some states have already made efforts to ensure more transparency. Cross River publishes online fee schedules related to property transactions.¹³ It also makes available application forms and lists of requirements—as does Niger.¹⁴ The Lands Bureau in Lagos developed a checklist for all application requirements when submitting documents and requests applicants' contact information for faster follow-up. This can reduce waiting time and back-and-forth with officials.

NOTES

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3. Galiani, Sebastian, and Ernesto Schar-grodsky. 2010. “Property Rights for the Poor: Effects of Land Titling.” *Journal of Public Economics* 94 (2010) 700–729.
4. Property information that is held in cadastres and land registries forms part of the land information available to governments. Land information also includes other geographic, environmental and socioeconomic data related to land that are useful for urban planning and development.
5. World Bank. 2011. *Nigeria 2011: An Assessment of the Investment Climate in 26 States*. Washington, D.C.: World Bank Group.
6. Birner, Regina, and Austen Okumo. March 2012. *Challenges in Land Governance in Nigeria: Insight from a Case Study in Ondo State*. Institute of Agricultural Economics and Social Science in the Tropics and Sub-Tropics. International Food Policy Research Institute (IFPRI).
7. Cameroon, Gabon, Benin, Senegal, Angola and Togo.
8. Cameroon, Republic of Congo, Maldives, South Sudan and the Syrian Arab Republic.
9. Bayelsa, Ebonyi, Enugu, Lagos, Osun, Plateau and Zamfara.
10. The state governments collect duties when a property transaction is executed between persons or individuals.
11. *Doing Business* database.
12. The Federal Stamp Duty Act of Nigeria.
13. Cross River State Geographical Information Agency website. “Tariffs and Fees.” http://crgia.crossriverstate.gov.ng/web/crgia/tariffs?p_p_id=&p_p_lifecycle=0&p_p_state=normal&p_p_mode=view&p_p_col_id=column-1&p_p_col_count=3.
14. Niger State Geographical Information System website. “Download Application Forms.” <http://www.nigergis.com/applications.aspx>.

Enforcing contracts



Chioma owns a small business that designs and manufactures palm oil bottles in Cross River. Her clients are palm oil producers. The bottles are custom-made to fit specifications. But sometimes a buyer refuses to make payment on an order—even if there is nothing wrong with the bottles. Chioma contemplates filing a lawsuit to recover payment. But knowing how lengthy trials are in Cross River and that the legal fees and court expenses may be up to half the amount in dispute, she is deterred from taking legal action. Instead, she resolves to only do business with existing clients that have proven themselves to be reliable and trustworthy, losing out on the opportunity to expand her business.

A transparent and efficient court system is essential to sustaining entrepreneurship and promoting business growth. In the absence of transparency and efficiency, businesses are less inclined to transact with clients not vetted through previous interactions, thus limiting expansion of business activity. Transparent courts give firms the assurances that they will have recourse, should they become involved in a breach of contract claim. And speedy trials are especially important to those small and medium-size enterprises that may lack the resources to stay in business while awaiting the outcome of a long court dispute.

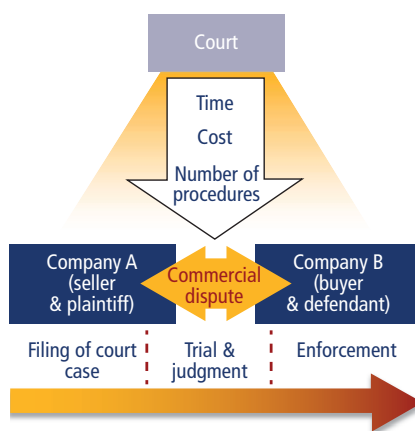
Research shows a strong correlation between efficient contract enforcement and increased access to financing for firms.¹ A study of 27 judicial districts in Italy showed that, all other factors being equal, where the backlog of pending trials is relatively large, credit is less widely available, the average interest rate is higher, and the default rate is higher.² A second

study has shown that in Eastern European economies with slower courts, firms tend to have less bank financing for new investments.³

WHAT DOES ENFORCING CONTRACTS MEASURE?

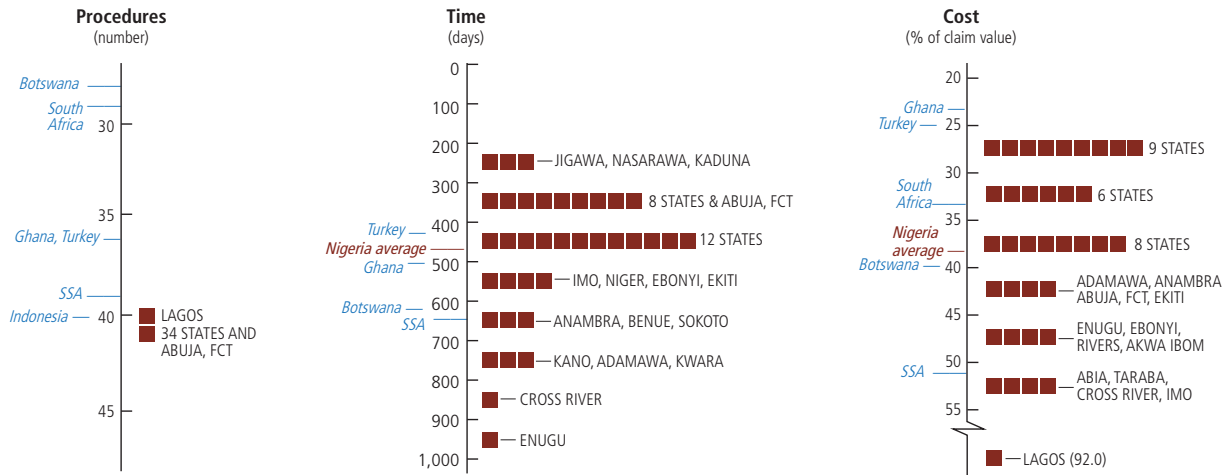
Doing Business measures the time, cost and procedural complexity of resolving a commercial lawsuit between 2 domestic businesses. The dispute involves the breach of a sales contract worth twice the income per capita of the economy. The case study assumes that the court hears arguments on the merits and that an expert provides an opinion on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement. The time, cost and procedures involved are measured from the perspective of the seller (the plaintiff) pursuing the standardized case through local courts (figure 6.1).

FIGURE 6.1 What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



- Katsina remains the easiest place to enforce a contract within Nigeria: resolving a standardized commercial dispute takes 314 days and 41 procedures and costs 26% of the claim value.
- Since 2010, Niger, Ekiti and Kaduna have made the biggest strides on the ease of enforcing contracts by clearing court backlogs and significantly reducing the time to enforce a contract.
- Nigerian states continue to modernize their civil procedure rules to introduce better case management measures—such as frontloading and pretrial conferences.
- Resolving a commercial dispute as fast as in Jigawa and with as low a cost as in Katsina, would place Nigeria among the world's top 50 economies on the ease of enforcing contracts—ahead of Poland and the United Kingdom.

FIGURE 6.2 Enforcing contracts in Nigeria, compared globally



Note: SSA is the Sub-Saharan Africa regional average.

Source: *Doing Business* database.

HOW DOES IT WORK IN NIGERIA?

Pursuant to the Nigerian Constitution, the chief judge of each state is vested with the power to make rules governing the state's courts.⁴ Each state is empowered to make its own set of civil procedure rules which dictate how commercial cases are litigated. However, the procedural complexity, as measured by *Doing Business*, is the same across states, taking 41 steps across Nigerian courts—except in Lagos, where a specialized commercial court was introduced in 2007 (figure 6.2).⁵

The first instance civil court structure is two-tiered in all Nigerian states and similar to 128 other economies benchmarked by *Doing Business*. In all states, both the high courts and the magistrates' courts (the lower courts)⁶ have subject-matter jurisdiction over breach of contract claims. High courts can hear cases of any amount. The magistrates' courts' maximum monetary threshold varies from NGN20,000 (US\$129) in Yobe to NGN10,000,000 (US\$64,293) in Lagos and Enugu—with a median threshold of NGN500,000 (US\$3,215) across the country. For cases with a claim value below the magistrates' court's maximum threshold, claimants can choose to take the case to either court.⁷ In order to benefit from more experienced judges, litigants often choose to file in the high

court—even for small claims falling within the competence of magistrates' courts.

Enforcing contracts measures the time, cost, and procedures throughout the 3 main phases of a court proceeding: filing and service of process, trial and judgment, and enforcement of judgment. Resolving a commercial dispute in court across 36 Nigerian locations takes, on average, 484 days and costs 38.6% of the claim value. This is 25% more efficient and less costly than the average time and cost across Sub-Saharan Africa. However, there are substantial variations among Nigeria's states and Abuja, FCT when it comes to the time and costs to enforce contracts in court. Enforcing a contract is easier in Katsina, Kaduna and Yobe; it is more difficult in Cross River, Enugu and Imo (table 6.1). For example, in Cross River, it takes 802 days and costs 52.8% of the claim value to enforce a contract, while in Katsina it is 60% faster (314 days) and half as costly (26%).

The time to enforce a contract varies from 261 days in Jigawa to 970 days in Enugu (figure 6.3). Across states, filing and serving a claim takes on average 19 days. This first phase to enforce contracts is fastest in Akwa Ibom, Delta, Ekiti and Ondo, where the court registrar's office merely ensures that the claimant fulfills certain formal requirements, charges a fee, ensures assignment of the case to the appropriate court, and sets a date for

the defendant to be summoned. The bailiff then proceeds to serve process on the defendant. The process is slowest in Lagos, lasting 40 days. As Nigeria's biggest business city, Lagos lags behind other locations, perhaps because it receives a larger volume of filings than others. In Anambra, Bauchi, Ebonyi, Enugu, Gombe, Imo, Katsina, Ogun and Sokoto, filing and service takes an average of 30 days. In other states, lawyers attribute delays in filing and serving to slow service of process by court bailiffs.

Enforcing a judgment across Nigeria is fast, at an average of 68 days (table 6.2). It ranges from just 3 weeks in Akwa Ibom and Niger to 7 months in Enugu. Waiting for the bailiffs to collect the movable assets and conduct the auction is the greatest cause of delay in more than half of the states for this phase.

The greatest delays occur during trial and judgment. On average, a trial takes 13 months. It is shortest in Jigawa (7 months) and longest in Enugu and Kwara (2 years). In some states, lawyers impute delays to court congestion and backlogs, whereas in other states they blame adjournments. Litigants can expect between 5 and 10 procedural hearings to occur. Adjournments between hearings are frequent and often last about 3 weeks. Judges may grant adjournments to avoid prejudicing any of the parties. Furthermore, this reduces the possibility of

TABLE 6.1 Where is it easy to enforce a contract—and where not?

State	Rank	Procedures (number)	Time (days)	Cost (% of claim value)
Katsina	1	41	314	26.0
Kaduna	2	41	291	26.2
Kebbi	3	41	368	26.1
Yobe	3	41	356	26.2
Edo	5	41	314	28.7
Jigawa	6	41	261	33.8
Nasarawa	7	41	267	36.4
Ondo	8	41	382	31.4
Bauchi	9	41	455	27.4
Osun	10	41	438	30.7
Zamfara	11	41	402	36.0
Gombe	12	41	470	27.9
Niger	13	41	515	26.5
Bayelsa	14	41	393	36.7
Abuja, FCT	15	41	381	42.9
Sokoto	16	41	638	27.1
Kogi	17	41	464	36.5
Ogun	17	41	455	37.1
Oyo	19	41	439	37.2
Rivers	20	41	375	46.7
Taraba	20	41	327	52.6
Plateau	22	41	498	34.6
Delta	23	41	492	37.1
Kwara	24	41	774	30.0
Kano	25	41	720	32.4
Akwa Ibom	26	41	428	46.8
Abia	27	41	464	51.7
Lagos	28	40	447	92.0
Benue	29	41	606	39.7
Anambra	30	41	600	42.6
Ekiti	31	41	546	44.6
Ebonyi	32	41	545	46.3
Adamawa	33	41	729	40.5
Imo	34	41	510	52.9
Enugu	35	41	970	45.4
Cross River	36	41	802	52.8

Note: Rankings are based on the average city percentile rankings on the procedures, time and cost to resolve a commercial dispute through the courts. See *Data notes* for details.

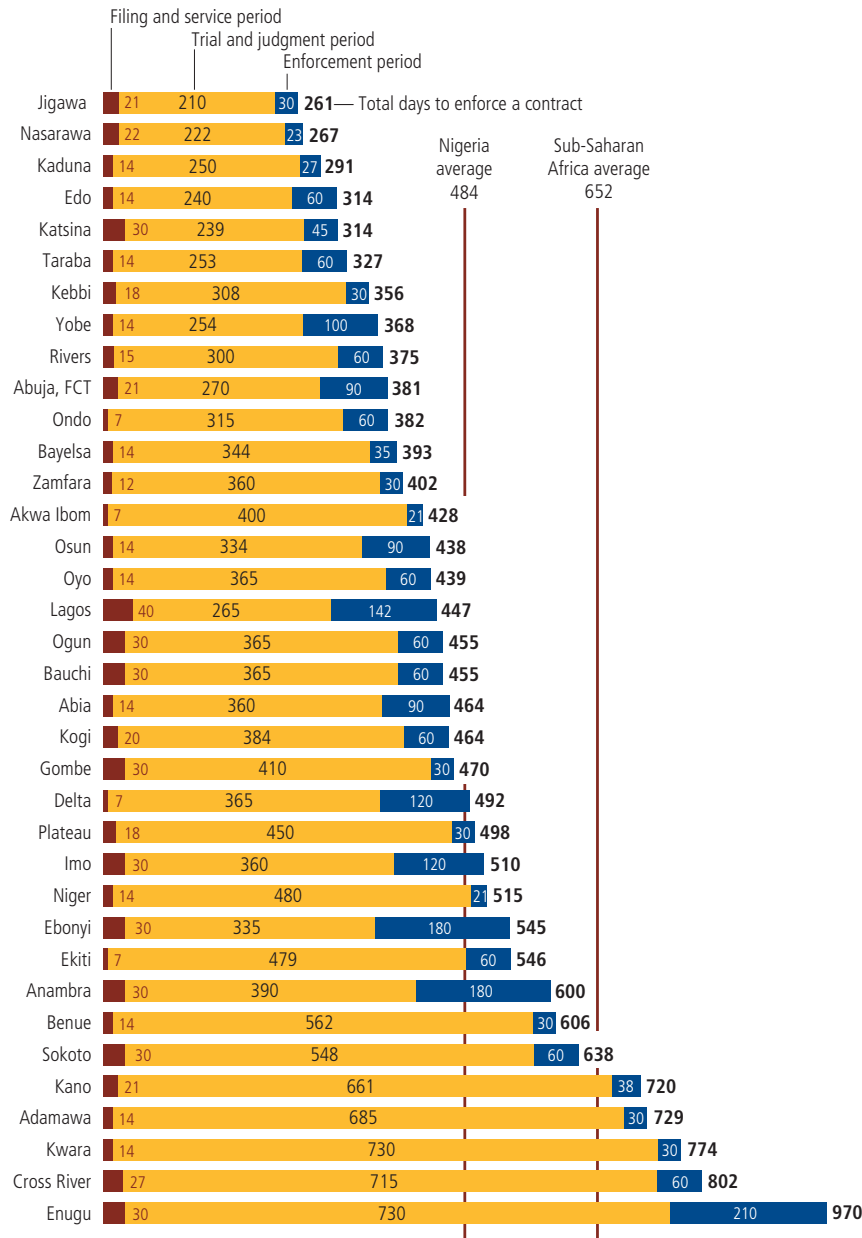
Source: *Doing Business* database.

appeal on procedural grounds. There are 2 main reasons for the numerous adjournments. First, legal practitioners report that judges grant lawyers' numerous interlocutory requests for adjournments, making the process lengthier. Second, judges are often traveling out of state, taking them away from the court room, and their absence creates additional wait time.

Lawyers report that judicial transfers can also cause significant delays. In some states, when a judge or magistrate is transferred, all of her cases begin afresh. According to practitioners, a practice direction is being enacted in Akwa Ibom—where trial and judgment takes more than a year—with the objective that judges will not be transferred until their ongoing cases have been disposed of.

The enforcing contracts indicator records the costs involved in filing and service of process, trial and judgment, and enforcement of judgment. Costs are expressed as a percentage of the claim value and 3 types of costs are recorded: court costs, enforcement costs and average attorney fees. The average cost to enforce a contract across Nigeria is 38.6% of the claim value and ranges from 26% in Katsina to 92% in Lagos. Variations are mainly due to attorney fees, which make up, on average, 60.7% of the total cost—similar to the Sub-Saharan Africa average. Attorney fees are regulated for the preparation of legal documents and instruments, but not for litigation.⁸ The Rules of Professional Conduct⁹ state that lawyers' fees should be reasonable but are not accompanied by a binding or recommended scale of charges. The average attorney's fee in Nigeria is 23.4% of the claim value, which is on par with the global average of 23.6%. Attorney fees vary from 14% of the claim value in Kano to 75% in Lagos. One possible explanation for the variations is the level of economic activity. On average, southern states have greater economic activity (as measured by state GDP). Lawyers are also in greater demand where business is booming and professional fees go up, as seen in an average cost of 27.9% of income per capita in southern states versus 19.4% in northern states. Legal fees are highest in Lagos, due to higher market demand for lawyers. Lagos is the only state where lawyers

FIGURE 6.3 Courts in Jigawa and Nasarawa are faster



Source: *Doing Business* database.

charge on an hourly basis, as opposed to the flat fees charged in other states.

Some court and enforcement fees, such as filing and bailiff fees, are regulated according to state-level civil procedure rules and fee schedules and vary widely from state to state. Court fees vary from 3.4% of the claim value in Bauchi and Niger to 14.6% in Cross River—with a national average of 7.7% of the claim value. For example, the Ekiti State High Court fee schedule sets maximum filing fees at NGN5,000 (US\$32), while the Jigawa

State High Court fee schedule sets fees at NGN120 (less than US\$1). Most states assess filing fees and bailiffs' fees as flat fees, but some charge variable filing fees, as a percentage of the claim value. For instance, the Kebbi State High Court fee schedule sets filing fees at 3% of the claim value when the claim exceeds NGN50,000 (US\$322). Enforcement is governed by the federal *Sheriffs and Civil Process Act*.¹⁰ States nonetheless have discretion to set their own enforcement fees. The cost of enforcement varies from 3.2% (in Gombe, Kaduna and Kwara) to 20%

(in Imo)—with an average of 7.5% of the claim value across the country. Although states have set enforcement fees, in many states bailiffs charge negotiable rates.

WHAT HAS IMPROVED SINCE 2010

In 2013, the Chief Justice introduced a national directive requiring that all state high court judges dispose of at least 4 cases per quarter. The objective is to reduce trial and judgment time in the state high courts. High court judges' performances are now monitored by the National Judicial Council and the directive is backed by disciplinary action and possible removal from office for judges who fail to meet quotas. The directive's impact on clearing backlogs and speeding up trials has yet to be felt across the country. In the long run, the goal is to curb the number of frivolous interlocutory motions and adjournments. Furthermore, the aim is to encourage better case management and ensure that judges make good use of the "frontloading system"—a fast track case management mechanism that requires that oral and documentary evidence be filed at the beginning of the case.

At the state level, Niger, Ekiti and Kaduna have significantly reduced the time to enforce a contract since 2010. Starting in 2011, Niger State authorities increased the total number of district court judges from 45 to 66, significantly reducing backlogs. The Niger State Chief Judge also reshuffled judges, moving the more experienced ones to the courts with the most delays. Following the National Judicial Council's performance evaluation model for high courts, the Chief Judge sets his own quarterly performance targets for district court judges and applies sanctions for failing to meet quotas. These measures have reduced the time to enforce a contract in Niger by 54% (from 1,130 days in 2010 to 515 days 4 years later). Ten other states appointed new judges at either the high court or the magistrates' court level, but the impact has yet to be felt.

Ekiti, which formerly operated under the civil procedure rules of Ondo State, introduced its own high court (civil procedure) rules in 2011. The new rules—modeled after Lagos, where *Doing Business* recorded

TABLE 6.2 Nigerian states boast a competitive average for enforcement time

	Trial and judgment time (days)		Enforcement time (days)
Ghana	150	Botswana	45
Mexico	175	Kenya	60
Indonesia	220	United Kingdom	62
Turkey	290	Nigerian average	68
United Kingdom	345	South Africa	80
Kenya	365	Turkey	100
Nigerian average	397	Indonesia	180
Global average	399	Mexico	183
Sub-Saharan Africa	405	Global average	184
South Africa	490	Sub-Saharan Africa	222
Botswana	550	Ghana	330

Source: *Doing Business* database.

a decrease in time to enforce a contract in 2007—introduce pretrial conferences and frontloading, to abate frivolous claims, narrow down issues for trial and encourage parties to settle before trial. The rules allow attorneys to file written arguments instead of in-court delivery, enable witness interviewing outside of court, require oral and documentary evidence to be frontloaded by claimants, and set deadlines for procedural requirements. These new measures reduced the time to enforce a contract in Ekiti by 8 months.

Other states are also modernizing their civil procedure rules to incorporate better case management measures. Since 2010, 13 states have updated their high court civil procedure rules, and 5 have amended their magistrates' or district court rules. Gombe, Imo, Jigawa, and Ogun are expected to release either new court rules or practice directions soon. Most other states enacted new rules after 2004, when Lagos introduced frontloading and pretrial conferences as case management mechanisms. But some states are still using old versions of other states' rules. For example, Gombe uses Bauchi's High Court (Civil Procedure) Rules of 1987; meanwhile, Bauchi released new rules in 2008.

The Kaduna State District Court (Amendment) Law of 2012 raised the district court's monetary threshold tenfold, to NGN500,000 (about US\$3,215). This resulted in a shift of the applicable court

for the assumed case measured by *Doing Business* from the high court to the district court. Consequently, the time to enforce a contract dropped from 431 to 291 days (figure 6.4). Seven other states¹¹ raised the magistrates' courts' monetary thresholds in an effort to encourage more case filings at the magistrates' court level, but the time savings remain to be seen.

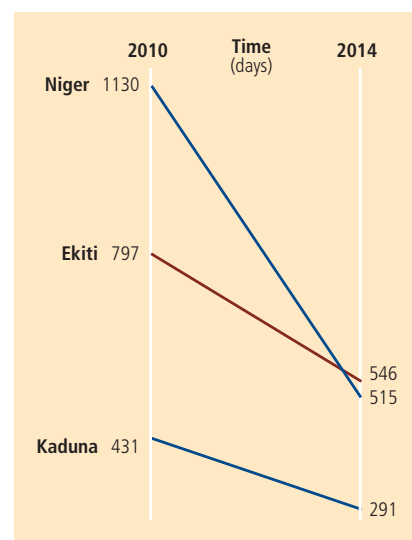
Alternative dispute resolution systems are gaining popularity throughout Nigeria and many states have made monetary awards resulting from alternative dispute resolutions enforceable in court. Thirteen states¹² and Abuja, FCT have an operational alternative dispute resolution forum to encourage potential litigants to resort to mediation. Greater use of alternative dispute resolutions has been most apparent in Lagos. The Lagos State Civil Procedures of 2012 made the utilization of alternative dispute resolution compulsory whenever the judge handling the case instructs so.

WHAT TO REFORM?

Introduce specialized commercial courts or court sections to more locations

Ninety of the 189 economies covered by *Doing Business* have dedicated commercial courts, specialized commercial sections in existing courts or specialized

FIGURE 6.4 Initiatives to clear court backlogs result in faster contract enforcements in Niger, Ekiti and Kaduna



Source: *Doing Business* database.

judges in general civil courts. Where a limited number of commercial cases need to be handled, specialized commercial sections provide a less expensive alternative to a commercial court. Specialized courts tend to improve efficiency.¹³ Creating specialized commercial courts can result in faster and less costly contract enforcement. One reason for the greater efficiency is that judges become experts in handling commercial disputes. Commercial courts often have less formal procedures: the use of oral arguments is permitted even in economies where the general courts require written procedures. In the 10 economies in Sub-Saharan Africa that have introduced commercial courts or sections since 2003—Burkina Faso, Cameroon, the Democratic Republic of Congo, Côte d'Ivoire, Ghana, Mauritania, Mozambique, Nigeria, Rwanda and Togo—the average time to resolve the standardized case measured by *Doing Business* was reduced by 2.5 months.¹⁴ For example, courts in Abidjan, Côte d'Ivoire were particularly backlogged, and it took more than 2 years to resolve a commercial dispute in 2011. The following year, authorities created a standalone commercial court, reducing the time to enforce a contract by more than 6 months.

Lagos is the most populous city in both Nigeria and in Africa, and more commercial

cases are filed there than anywhere else in Nigeria. Responding to the need for a forum to resolve commercial disputes, Lagos established a specialized commercial court in 2007, after which the average time to enforce contracts dropped by 9 months. Kano and Ekiti already direct commercial cases to specific high courts. However, these high courts also handle non-commercial cases. Depending on the caseload and court needs, other Nigerian states could introduce specialized commercial courts, divisions or judges to deal exclusively with commercial matters.

Use court statistics for performance monitoring and case management

Complaints of congestion and excessive adjournments—together with the varying times needed to enforce a contract across Nigeria—signal the need for better performance monitoring and case management in courts. All 35 states and Abuja, FCT already collect useful statistics, such as the number of cases filed, pending and disposed of in courts. However, the extent of and methods for data collection vary from state to state. All courts produce periodic docket reports, which are submitted to the chief judge or chief magistrate, for internal purposes. Nonetheless, more could be done—including consolidating the statistics in order to use them as performance indicators. The National Judicial Council is already monitoring high court judges' performances at the national level, but there is a pressing need for a standardized monitoring system for both magistrates' and high courts. Collecting statistics in the same manner across all courts would allow for comparisons and peer-learning across Nigerian courts.

Research suggests that “monitoring and evaluation systems are not only powerful tools to ensure accountability, but also to introduce changes.”¹⁵ An effective monitoring system would allow for real-time problem solving, such as identifying any judges who are granting unnecessary or unreasonably long adjournments. An analysis of judges' current docket backlogs would also help the judiciary establish reasonable limits on the number and duration of adjournments. For example, in 2001 authorities in Turin, Italy launched

an ambitious plan to reduce backlogs and eliminate all cases not resolved after 3 or more years. Judges and registrars were instructed to: 1) prioritize older cases, 2) classify and physically label all cases by the originating date, and 3) follow a “first in, first out” approach. The plan included 20 guidelines for judges to follow, promoting the use of short and concise judgments, agreement on a timetable or calendar for the case during the first hearing, inadmissibility of unsubstantiated adjournments, shorter adjournments, and oral hearings as opposed to written. By 2010, cases older than 3 years represented less than 5% of the court's caseload.

Court statistics are also important inputs for case management and can be beneficial in determining which remedial measure would be most effective for a given location. Analyzing a court's caseload can help with resource allocation by identifying jurisdictions in need of additional judges and informing judicial reorganization plans. For instance, in Niger, more experienced judges were moved to the courts with the most delays. In Akwa Ibom, authorities aim to introduce a reparative practice direction that would prevent judges from being transferred until their ongoing cases have been disposed of. These varying methods of managing backlogs can be adapted to locations' needs and replicated accordingly, following a statistical analysis of their respective court dockets.

An effective case management system could also prevent judges from being overburdened with too many complex cases. For example, in 2009, Malaysian courts introduced a new case management system in all courts.¹⁶ The system sorts cases into 2 categories: those that can be resolved on the basis of an affidavit and those that must go to full trial. Judges are subsequently assigned an equal share of both types of cases. From December 2009 through May 2011, Malaysia was able to purge backlogs in 120 of 429 magistrates' courts.

Automate court processes using electronic technology

Automating court processes and introducing the use of electronic technology

has been a common practice among economies improving contract enforcement.¹⁷ If the courts are computerized, support functions—like electronic filing, case tracking, document management, deadline reminders and scheduling for hearings—are performed automatically. Periodic electronic reports, coupled with reparative measures to cure backlogs, would significantly reduce the average time to enforce a contract across Nigerian states.

Korea was a pioneer in using electronic features to streamline court processes, launching electronic case management in 1986.¹⁸ This platform enabled clerks, judges and other internal court users to: search all civil cases in the database; organize their caseload and isolate cases requiring special attention; track their case history and easily ascertain the number of cases disposed of; and schedule cases by day, week or month. Additionally, the system supports collaborative decision-writing in panel cases and has a document-formatting function that creates an automatic draft of the final judgment from details inputted in the system.

Budgetary and technological constraints are common obstacles to establishing electronic systems in less developed economies. Nonetheless, Rwanda and Tanzania—2 countries with income per capita below US\$1,000—have followed Korea's lead. Both economies are developing the components of an electronic court and are among top-reforming Sub-Saharan African economies for their ease of enforcing contracts.

Ogun State authorities are already working on establishing an electronic system for case management. Ogun authorities are assembling a database of case law to which all relevant judges would have access. Relevant judges have been equipped with laptops and tablets preloaded with Law Pavilion software—a legal research tool that affords them quicker access to precedential cases and facilitates decision-making. Other states could follow suit. For instance, providing judges with similar electronic tools could have a significant impact on clearing backlogs—especially in states like Sokoto, where judges still record and deliver judgments in longhand.

Make court fees, court practice directions and procedural rules readily available in the public domain

Nigerian states have the discretion to set their own judgment enforcement fees. Nevertheless, fee schedules are rarely accessible in print or online. Because of a creditor's inability to access fees, bailiffs can charge unspecified fees to levy execution. Publishing court and enforcement fees in the appendices of the civil procedure rules or online would ensure that lawyers and claimants can anticipate costs. Posting fees in each court building, where payments are collected, would promote transparency. Publicly available fee schedules allow judgment creditors to hold the enforcement officer accountable to legally prescribed fees, thus doing away with arbitrary fee assessments.

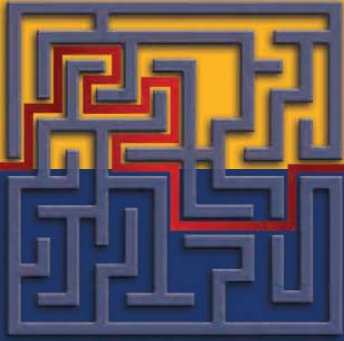
Lawyers within individual states are rarely uniformly aware of new practice directions. Although many states have websites for their courts, few make use of the website to upload updated civil procedure rules and practice directions. Presently, the best online resource for accessing state civil procedure rules is the Online Community of Nigerian Lawyers' website.¹⁹ Although the site has procedural rules for nearly every state, as a non-government affiliated initiative it may not always feature the most current rules.

Per *Doing Business* methodology, 1 procedure is subtracted from the total number of procedures for economies that have specialized commercial courts.

6. In some states, a magistrates' court is called a district court when it hears a civil matter.
7. In such cases, *Doing Business* records the court that is most commonly used, in practice, for the assumed case with a claim amount of NGN444,836 (US\$2,860). As recorded by *Doing Business*, the assumed case would go to trial in the high court in 20 locations and magistrates' court in the remaining 16 locations.
8. Legal Practitioners Act. Chapter 207 of the Laws of the Federation of Nigeria (LFN).
9. Section 44. Rules of Professional Conduct. Chapter 207 of the Laws of the Federation of Nigeria (LFN).
10. Sheriffs and Civil Process Act. Chapter 407. Laws of the Federation of Nigeria 1990.
11. Abia, Akwa Ibom, Cross River, Enugu, Niger, Oyo, and Zamfara.
12. Abia, Akwa Ibom, Bayelsa, Benue, Cross River, Delta, Kano, Katsina, Kwara, Lagos, Ogun, Osun, and Oyo.
13. Botero, Juan Carlos, Rafael La Porta, Florencio López-de-Silanes, Andrei Shleifer and Alexander Volokh. 2003. "Judicial Reform." *World Bank Research Observer* 18 (1): 67-88.
14. *Doing Business* database.
15. "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.
16. World Bank Group. 2011. *Doing Business 2012: Doing Business in a More Transparent World*. Washington, D.C.: World Bank Group.
17. World Bank Group. 2011. *Ibid.*
18. World Bank Group. 2013. *Doing Business 2014: Understanding Regulations for Small and Medium-Size Enterprises*. Washington, D.C.: World Bank Group.
19. Online Community of Nigerian Lawyers: <http://ofcounselnigeria.com/>.

NOTES

1. Bae, Kee-Hong, Jae-Seung Baekb, Jun-Koo Kangc and Wei-Lin Liud. 2012. "Do Controlling Shareholders' Expropriation Incentives Imply a Link between Corporate Governance and Firm Value? Theory and Evidence." *Journal of Financial Economics* 105 (2): 412-35.
2. Japelli, Tullio, Marco Pagano and Magna Bianco. 2005. "Courts and Banks: Effects of Judicial Enforcement on Credit Markets." *Journal of Money, Credit, and Banking* 37 (2): 223-44.
3. Safavian, Mehnaz, and Siddharth Sharma. 2007. "When Do Creditor Rights Work?" *Journal of Comparative Economics* 35 (3): 484-508.
4. Sections 270-74, Constitution of the Federal Republic of Nigeria, 1999.
5. In Lagos, where there is a specialized commercial court, 40 procedural steps were recorded, as compared to 41 procedural steps recorded in other locations in Nigeria.



Data notes

The indicators presented and analyzed in *Doing Business in Nigeria 2014* 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 complexity of regulation, such as the number of procedures to start a business or to register and transfer commercial property. They also gauge the time and cost of achieving a regulatory goal or complying with regulation, such as the time and cost to enforce a contract.

This report presents *Doing Business* indicators for 35 states and Abuja, FCT, in Nigeria.¹ The data for all sets of indicators in *Doing Business in Nigeria 2014* are current as of March 2014. The data for Lagos and 188 other economies used for comparison are based on the indicators in *Doing Business 2014, Understanding Regulations for Small and Medium-Size Enterprises*, the eleventh in a series of annual reports published by the World Bank Group.²

METHODOLOGY

The *Doing Business in Nigeria 2014* data were collected in a standardized way. To start, the *Doing Business* team, with academic advisers, designs a questionnaire. The questionnaire 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. Questionnaires are administered to local experts, including lawyers, business consultants, architects, engineers, freight forwarders, 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 team, involving conference calls, written correspondence and visits by the team. The data from questionnaires are subjected to numerous rounds of verification, leading 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; *Doing Business* is not a statistical survey, and 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 business but also identify their source and point to what might be reformed.

LIMITS TO WHAT IS MEASURED

The *Doing Business* methodology 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 2014* would differ from the recollection of entrepreneurs reported in the World Bank Enterprise Surveys or other perception surveys.

CHANGES IN WHAT IS MEASURED

Since 2010, the methodology for some indicators was updated for the global *Doing Business* report and consequently for this report:

Because the ease of doing business index now includes the getting electricity indicators, procedures, time and cost related to obtaining an electricity connection were removed from the dealing with construction permits indicators.

The rule establishing that each procedure must take at least 1 day was removed for procedures that can be fully completed online in just a few hours. This change affects the time indicator for starting a business, dealing with construction permits and registering property. For procedures that can be fully completed online, the duration is now set at half a day rather than a full day.

STARTING A BUSINESS

Doing Business records all procedures officially required, or commonly done in practice, for an entrepreneur to start up and formally operate an industrial or commercial business, as well as the time and cost to complete these procedures and the paid-in minimum capital requirement (figure 8.1). These procedures include

ECONOMY CHARACTERISTICS

Gross national income per capita

Doing Business in Nigeria 2014 reports 2012 income per capita as published in the World Bank's *World Development Indicators 2013*. Income is calculated using the Atlas method (current U.S. dollars). For cost indicators expressed as a percentage of income per capita, 2012 gross national income (GNI) in U.S. dollars is used as the denominator. Nigeria's GNI per capita in 2012 = US\$1,430 (NGN222,418).

Region and income group

Doing Business uses the World Bank regional and income group classifications, available at <http://data.worldbank.org/about/country-classifications>. The World Bank does not assign regional classifications to high-income economies. For the purpose of the *Doing Business* report, high-income OECD economies are assigned the "regional" classification *OECD High Income*. Figures and tables presenting regional averages include economies from all income groups (low, lower middle, upper middle and high income).

Exchange rate

The exchange rate used in this report is: 1 US\$ = 155.5 Nigerian Naira (NGN).

obtaining all necessary licenses and permits and completing any required notifications, verifications or inscriptions for the company and employees with relevant authorities. The ranking on the ease of starting a business is the simple average of the percentile rankings on its component indicators (figure 8.2).

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 to comply with each procedure under normal circumstances and the paid-in minimum capital requirement. 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 the entrepreneur will pay no bribes. If answers by local experts differ, inquiries continue until the data are reconciled.

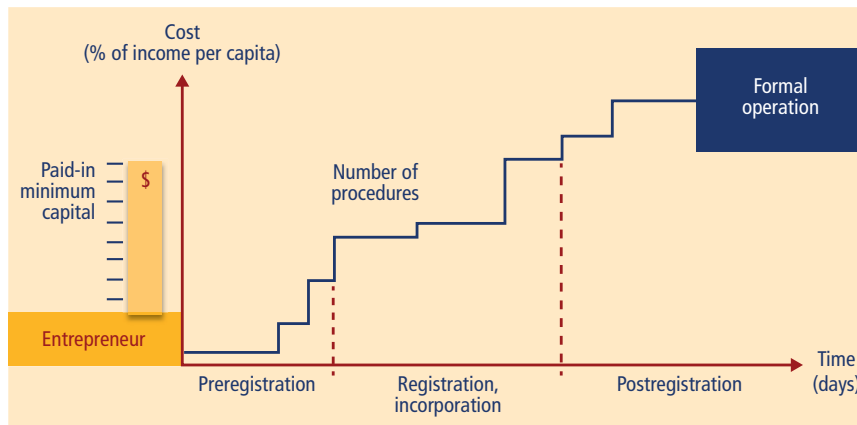
To make the data comparable across economies, several assumptions about the business and the procedures are used.

Assumptions about the business

The business:

- Is a limited liability company (or its legal equivalent). 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 or the statistical office.
- Operates in the selected 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, 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 or 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 domestic nationals.

FIGURE 8.1 What are the time, cost, paid-in minimum capital and number of procedures to get a local limited liability company up and running?



- 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 or at different counters are counted separately. 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 or solicited by the majority of entrepreneurs. 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 separate procedures.

Both pre- and postincorporation procedures that are officially required for an entrepreneur to formally operate a business are recorded (table 8.1).

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.

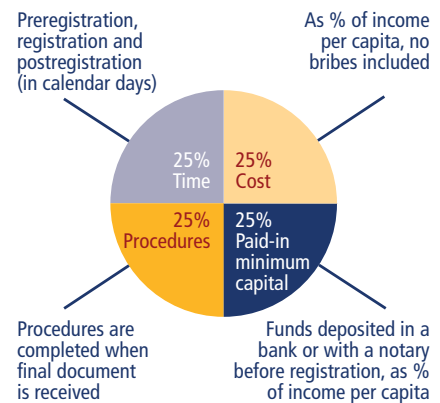
Only procedures required of all businesses are covered. Industry-specific procedures are excluded. For example, procedures to comply with environmental regulations are included only when they apply to all businesses conducting general commercial or industrial activities. Procedures that the company undergoes 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 indicate is necessary in practice 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, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days), again with the exception

FIGURE 8.2 Starting a business: getting a local limited liability company up and running

Rankings are based on 4 indicators



of procedures that can be fully completed online. A procedure is considered completed once the company has received the final incorporation document, such as the company registration certificate or tax number. If a procedure can be accelerated for an additional cost, the fastest procedure is chosen if that option is more beneficial to the economy's ranking. 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 requirements 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. Although value added tax registration can be counted as a separate procedure, value added tax is not part of the incorporation cost. 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

TABLE 8.1 What do the starting a business indicators measure?**Procedures to legally start and operate a company (number)**

Preregistration (for example, name verification or reservation, notarization)

Registration in the selected city

Postregistration (for example, social security registration, company seal)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day (2 procedures cannot start on the same day). Procedures that can be fully completed online are an exception to this rule.

Procedure considered completed once final incorporation document is received

No prior contact with officials

Cost required to complete each procedure (% of income per capita)

Official costs only, no bribes

No professional fees unless services required by law

Paid-in minimum capital (% of income per capita)

Funds deposited in a bank or with a notary before registration (or within 3 months)

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 require minimum capital 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 Turkey in June 2013, for example, the minimum capital requirement was 10,000 Turkish liras, of which one-fourth needed to be paid before registration. The paid-in minimum capital recorded for Turkey is therefore 2,500 Turkish liras, or 14.35% 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 by Djankov and others (2002) and is adopted here with minor changes.

DEALING WITH CONSTRUCTION PERMITS

Doing Business records all procedures required for a business in the construction industry to build a warehouse (figure 8.3). These procedures include obtaining and submitting all relevant project-specific documents (for example, building plans, site maps and certificates of urbanism) to the authorities; hiring external third-party supervisors, engineers or inspectors (if necessary); obtaining all necessary clearances, licenses, permits and certificates; submitting all required notifications; and requesting and receiving all necessary inspections (unless completed by a private, third-party inspector). *Doing Business* also records procedures for obtaining connections for water, sewerage and a fixed landline. Procedures necessary to register the property so that it can be used as collateral or transferred to another entity are also counted. The questionnaire divides the process of building a warehouse into distinct procedures and solicits data for calculating the time and cost to complete each procedure. The ranking on the ease of dealing with construction permits is the simple average of the percentile rankings on its component indicators (figure 8.4).

Information is collected from experts in construction licensing, including architects, civil engineers, construction lawyers, construction firms, utility service providers and public officials who deal with building regulations, including approvals, permit issuance 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):

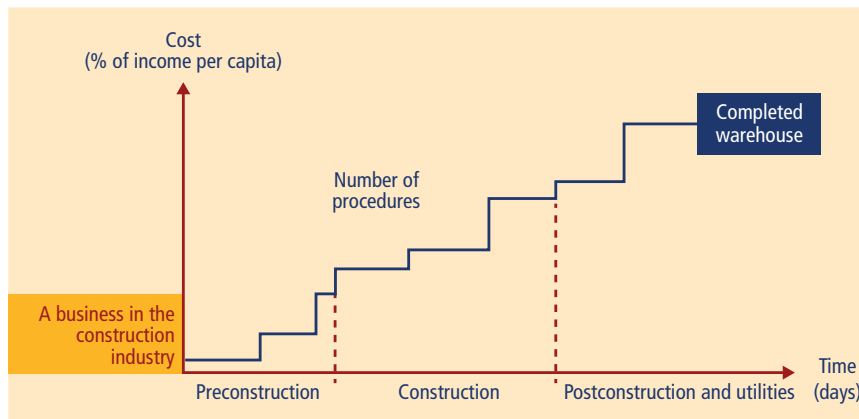
- Is a limited liability company.
- Operates in the selected city.
- Is 100% domestically and privately owned.
- Has 5 owners, none of whom is a legal entity.
- Is fully licensed and insured to carry out construction projects, such as building warehouses.
- Has 60 builders and other employees, all of 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 or engineer and registered with the local association of architects or engineers.
- 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).
- 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 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 periurban area of the selected city (that is, on the fringes of the city but still within its 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

FIGURE 8.3 What are the time, cost and number of procedures to comply with formalities to build a warehouse?



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.
- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).

Assumptions about the utility connections

The water and sewerage connection:

- Is 10 meters (32 feet, 10 inches) from the existing water source and sewer tap. If there is no water delivery infrastructure, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.
- 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 landline.

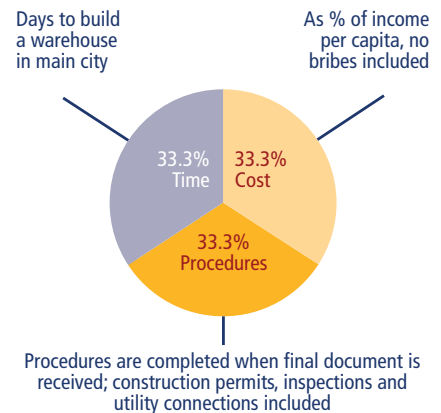
Procedures

A procedure is any interaction of the company's employees or managers, or any party acting on behalf of the company, with external parties, including government agencies, notaries, the land registry, the cadastre, utility companies and public inspectors—or the hiring of 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. But interactions necessary to obtain any plans, drawings or other documents from external parties, or to have such documents approved or stamped by external parties, are counted as procedures. Procedures that the company undergoes to connect to water, sewerage and telephone services are included. All procedures that are legally required, or that are done in practice by the majority of companies, to build a warehouse are counted, even if they may be avoided in exceptional cases (table 8.2).

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

FIGURE 8.4 Dealing with construction permits: building a warehouse
Rankings are based on 3 indicators



assumed that the minimum time required for each procedure is 1 day, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day (that is, simultaneous procedures start on consecutive days), again with the exception of procedures that can be fully completed online. If a procedure can be accelerated legally for an additional cost and the accelerated procedure is used by the majority of companies, the fastest procedure 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; obtaining utility connections; and registering the warehouse property. Nonrecurring taxes required for the completion of the warehouse project are also recorded. Sales taxes (such as value added tax) or

TABLE 8.2 What do the dealing with construction permits indicators measure?**Procedures to legally build a warehouse (number)**

Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates

Submitting all required notifications and receiving all necessary inspections

Obtaining utility connections for water, sewerage and a land telephone line

Registering the warehouse after its completion (if required for use as collateral or for transfer of the warehouse)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are an exception to this rule.

Procedure considered completed once final document is received

No prior contact with officials

Cost required to complete each procedure (% of income per capita)

Official costs only, no bribes

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 (figure 8.5). The ranking on the ease of registering property is the simple average of the percentile rankings on its component indicators (figure 8.6).

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. The registering property indicators do not measure the accessibility of property registration systems, the legal security offered by formal registration, the use of informal property registration systems or the equity of land policies.

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 periurban area of the selected 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

TABLE 8.3 What do the registering property indicators measure?**Procedures to legally transfer title on immovable property (number)**

Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)

Registration procedures in the selected city

Postregistration procedures (for example, filing title with municipality)

Time required to complete each procedure (calendar days)

Does not include time spent gathering information

Each procedure starts on a separate day. Procedures that can be fully completed online are an exception to this rule.

Procedure considered completed once final document is received

No prior contact with officials

Cost required to complete each procedure (% of property value)

Official costs only, no bribes

No value added or capital gains taxes included

disputes.

- Is located in a periurban 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. It has no heating system. 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, and no other party holds a legal interest in it.

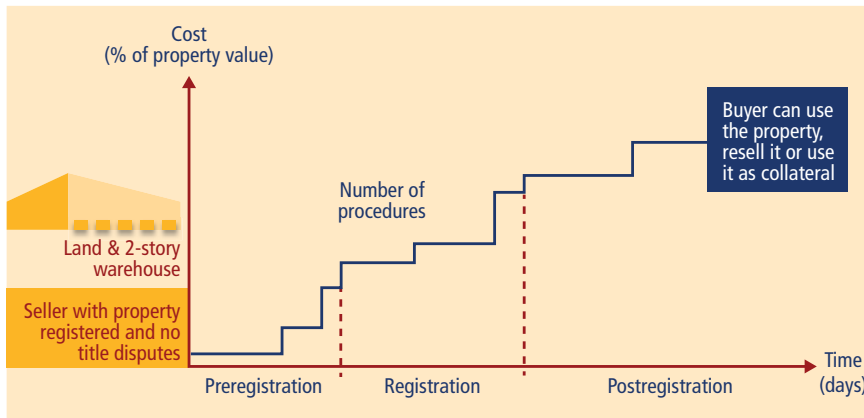
capital gains taxes are not recorded. Nor are deposits that must be paid up front and are later refunded. The building code, information from local experts and specific regulations and fee schedules are used as sources for costs. If several local partners provide different estimates, the median reported 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 drop-down list.

REGISTERING PROPERTY

Doing Business 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,

FIGURE 8.5 What are the time, cost and number of procedures required to transfer property between 2 local companies?



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 (table 8.3). 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 the buyer 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, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day, again with the exception of procedures that can be fully completed online. 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 requirements 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.

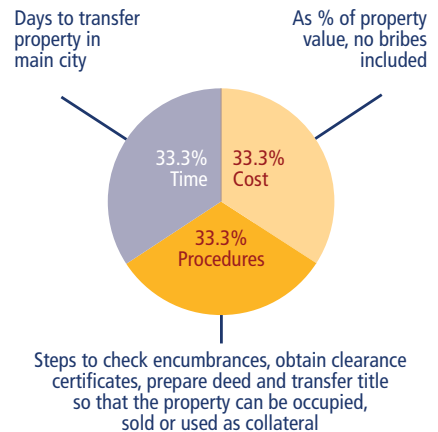
The data details on registering property can be found for each economy at <http://www.doingbusiness.org> by selecting the economy in the drop-down list.

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

FIGURE 8.6 Registering property: transfer of property between 2 local companies

Rankings are based on 3 indicators

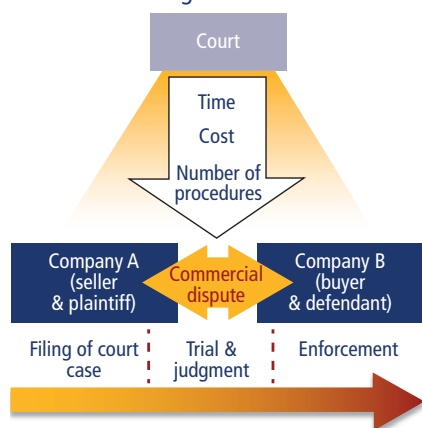


step-by-step evolution of a commercial sale dispute before local courts. The data are collected through study of the codes of civil procedure and other court regulations as well as questionnaires completed by local litigation lawyers and by judges (figure 8.7). The ranking on the ease of enforcing contracts is the simple average of the percentile rankings on its component indicators (figure 8.8).

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 selected city. Seller sells goods worth 200% of the economy'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. The court cannot decide the case on the basis of documentary evidence or legal title alone.
- A court in the selected city with jurisdiction over commercial cases worth 200% of income per capita decides the dispute.

FIGURE 8.7 What are the time, cost and number of procedures to resolve a commercial dispute through the courts?



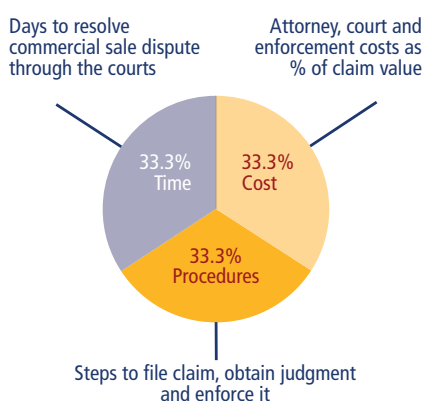
- Seller attaches Buyer's movable assets (for example, office equipment and vehicles) before obtaining a judgment because Seller fears that Buyer may become insolvent.
- An expert opinion is given on the quality of the delivered goods. If it is standard practice in the economy for each party to call 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. Seller decides to start enforcing the judgment as soon as the time allocated by law for appeal expires.
- 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 and vehicles).

Procedures

The list of procedural steps compiled for each economy traces the chronology of a commercial dispute before the relevant court. A procedure is defined as any interaction, required by law or commonly used in practice, between the parties or between them and the judge or court

FIGURE 8.8 Enforcing contracts: resolving a commercial dispute through the courts

Rankings are based on 3 indicators



officer. Other procedural steps, internal to the court or between the parties and their counsel, may be counted as well. Procedural steps include steps to file and serve the case, steps to assign the case to a judge, steps for trial and judgment and steps necessary to enforce the judgment (table 8.4).

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 the initial complaint in court cases. Some procedural steps that are part of others are not counted in the total number of procedures.

Time

Time is recorded in calendar days, counted from the moment the plaintiff decides to file 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 and serve the case), the issuance of judgment (time for the trial and obtaining the judgment) and the moment of payment (time for enforcement of the judgment).

TABLE 8.4 What do the enforcing contracts indicators measure?

Procedures to enforce a contract through the courts (number)
Steps to file and serve the case
Steps for trial and judgment
Steps to enforce the judgment
Time required to complete procedures (calendar days)
Time to file and serve the case
Time for trial and obtaining judgment
Time to enforce the judgment
Cost required to complete procedures (% of claim)
Average attorney fees
Court costs
Enforcement costs

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 court costs that Seller (plaintiff) must advance to the court, regardless of the final cost to Seller. Enforcement costs are all costs that 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 attorney fees are the fees that 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 by Djankov and others (2003) and is adopted here with minor changes.

EASE OF DOING BUSINESS

Doing Business in Nigeria 2014 includes rankings of 35 states and Abuja, FCT measured on 4 topics: starting a business, dealing with construction permits,

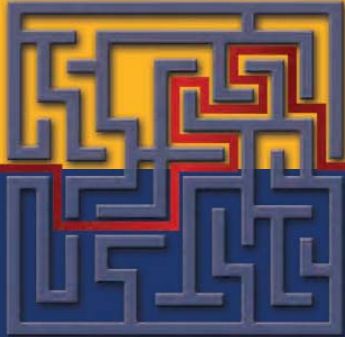
registering property, and enforcing contracts. Each state is represented by its largest business city. For instance, Aba is the city measured in the state of Abia. The ranking on each topic is the simple average of the percentile rankings on its component indicators. The ease of starting a business is a simple average of the city rankings on the number of procedures, and the associated time and cost (% of income per capita) and paid-in minimum capital required to start a business. The ease of dealing with construction permits is a simple average of the city rankings on the number of procedures, and the associated time and cost (% of income per capita) required to build a warehouse. The ease of registering property is a simple average of the city rankings on the number of procedures, associated time and cost (% of the property value) required to register property. The ease of enforcing contracts is a simple average of the city percentile rankings on the procedures, time and cost (% of claim value) to resolve a commercial dispute through the courts.

The ease of doing business indicators are limited in scope. They do not account for an economy's proximity to large markets, the quality of its infrastructure services, the strength of its financial system, the security of property from theft and looting, macroeconomic conditions or the strength of underlying institutions.

NOTES

1. Borno was excluded because of the difficulty of travelling to conduct the field research.
2. The complete global data set can be obtained from the *Doing Business* website: www.doingbusiness.org.

State snapshots



Abia, Aba

Starting a business (rank)	35	Registering property (rank)	36
Procedures (number)	11	Procedures (number)	13
Time (days)	41	Time (days)	108
Cost (% of income per capita)	66.0	Cost (% of property value)	15.9
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	29	Enforcing contracts (rank)	27
Procedures (number)	14	Procedures (number)	41
Time (days)	63	Time (days)	464
Cost (% of income per capita)	611.0	Cost (% of claim)	51.7

Adamawa, Yola

Starting a business (rank)	29	Registering property (rank)	19
Procedures (number)	9	Procedures (number)	11
Time (days)	44	Time (days)	122
Cost (% of income per capita)	54.8	Cost (% of property value)	12.1
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	14	Enforcing contracts (rank)	33
Procedures (number)	8	Procedures (number)	41
Time (days)	100	Time (days)	729
Cost (% of income per capita)	381.5	Cost (% of claim)	40.5

Akwa Ibom, Uyo

Starting a business (rank)	22	Registering property (rank)	24
Procedures (number)	10	Procedures (number)	13
Time (days)	36	Time (days)	55
Cost (% of income per capita)	53.4	Cost (% of property value)	15.6
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	31	Enforcing contracts (rank)	26
Procedures (number)	14	Procedures (number)	41
Time (days)	99	Time (days)	428
Cost (% of income per capita)	498.3	Cost (% of claim)	46.8

Anambra, Onitsha

Starting a business (rank)	23	Registering property (rank)	32
Procedures (number)	10	Procedures (number)	13
Time (days)	34	Time (days)	212
Cost (% of income per capita)	57.3	Cost (% of property value)	12.8
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	28	Enforcing contracts (rank)	30
Procedures (number)	14	Procedures (number)	41
Time (days)	83	Time (days)	600
Cost (% of income per capita)	461.1	Cost (% of claim)	42.6

Bauchi, Bauchi

Starting a business (rank)	11	Registering property (rank)	8
Procedures (number)	11	Procedures (number)	11
Time (days)	33	Time (days)	33
Cost (% of income per capita)	47.6	Cost (% of property value)	15.7
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	6	Enforcing contracts (rank)	9
Procedures (number)	13	Procedures (number)	41
Time (days)	42	Time (days)	455
Cost (% of income per capita)	483.2	Cost (% of claim)	27.4

Bayelsa, Yenagoa

Starting a business (rank)	26	Registering property (rank)	20
Procedures (number)	11	Procedures (number)	12
Time (days)	35	Time (days)	82
Cost (% of income per capita)	53.1	Cost (% of property value)	14.3
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	19	Enforcing contracts (rank)	14
Procedures (number)	11	Procedures (number)	41
Time (days)	59	Time (days)	393
Cost (% of income per capita)	550.2	Cost (% of claim)	36.7

Benue, Makurdi

Starting a business (rank)	13	Registering property (rank)	10
Procedures (number)	9	Procedures (number)	10
Time (days)	36	Time (days)	99
Cost (% of income per capita)	50.7	Cost (% of property value)	11.1
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	21	Enforcing contracts (rank)	29
Procedures (number)	14	Procedures (number)	41
Time (days)	66	Time (days)	606
Cost (% of income per capita)	391.2	Cost (% of claim)	39.7

Cross River, Calabar

Starting a business (rank)	10	Registering property (rank)	14
Procedures (number)	11	Procedures (number)	12
Time (days)	32	Time (days)	48
Cost (% of income per capita)	51.2	Cost (% of property value)	15.3
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	18	Enforcing contracts (rank)	36
Procedures (number)	14	Procedures (number)	41
Time (days)	72.5	Time (days)	802
Cost (% of income per capita)	214.6	Cost (% of claim)	52.8

Delta, Warri

Starting a business (rank)	28	Registering property (rank)	29
Procedures (number)	9	Procedures (number)	12
Time (days)	35	Time (days)	80
Cost (% of income per capita)	59.3	Cost (% of property value)	25.7
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	13	Enforcing contracts (rank)	23
Procedures (number)	15	Procedures (number)	41
Time (days)	49	Time (days)	492
Cost (% of income per capita)	343.6	Cost (% of claim)	37.1

Ebonyi, Abakaliki

Starting a business (rank)	21	Registering property (rank)	21
Procedures (number)	11	Procedures (number)	12
Time (days)	34	Time (days)	86
Cost (% of income per capita)	54.1	Cost (% of property value)	14.2
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	30	Enforcing contracts (rank)	32
Procedures (number)	22	Procedures (number)	41
Time (days)	67	Time (days)	545
Cost (% of income per capita)	356.2	Cost (% of claim)	46.3

Edo, Benin City

Starting a business (rank)	14	Registering property (rank)	34
Procedures (number)	10	Procedures (number)	13
Time (days)	36	Time (days)	67
Cost (% of income per capita)	45.8	Cost (% of property value)	26.4
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	33	Enforcing contracts (rank)	5
Procedures (number)	15	Procedures (number)	41
Time (days)	66	Time (days)	314
Cost (% of income per capita)	567.9	Cost (% of claim)	28.7

Ekiti, Ado-Ekiti

Starting a business (rank)	17	Registering property (rank)	24
Procedures (number)	11	Procedures (number)	12
Time (days)	34	Time (days)	55
Cost (% of income per capita)	52.1	Cost (% of property value)	23.3
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	4	Enforcing contracts (rank)	31
Procedures (number)	12	Procedures (number)	41
Time (days)	45	Time (days)	546
Cost (% of income per capita)	442.4	Cost (% of claim)	44.6

Enugu, Enugu

Starting a business (rank)	27	Registering property (rank)	13
Procedures (number)	10	Procedures (number)	12
Time (days)	33	Time (days)	64
Cost (% of income per capita)	60.2	Cost (% of property value)	11.7
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	23	Enforcing contracts (rank)	35
Procedures (number)	14	Procedures (number)	41
Time (days)	40	Time (days)	970
Cost (% of income per capita)	1,106.5	Cost (% of claim)	45.4

FCT, Abuja

Starting a business (rank)	1	Registering property (rank)	7
Procedures (number)	6	Procedures (number)	10
Time (days)	18	Time (days)	51
Cost (% of income per capita)	46.3	Cost (% of property value)	13.2
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	35	Enforcing contracts (rank)	15
Procedures (number)	16	Procedures (number)	41
Time (days)	83	Time (days)	381
Cost (% of income per capita)	1,020.4	Cost (% of claim)	42.9

Gombe, Gombe

Starting a business (rank)	6	Registering property (rank)	2
Procedures (number)	11	Procedures (number)	10
Time (days)	23	Time (days)	24
Cost (% of income per capita)	51.2	Cost (% of property value)	10.6
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	25	Enforcing contracts (rank)	12
Procedures (number)	13	Procedures (number)	41
Time (days)	86	Time (days)	470
Cost (% of income per capita)	455.4	Cost (% of claim)	27.9

Imo, Owerri

Starting a business (rank)	31	Registering property (rank)	27
Procedures (number)	11	Procedures (number)	9
Time (days)	34	Time (days)	146
Cost (% of income per capita)	56.7	Cost (% of property value)	21.4
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	34	Enforcing contracts (rank)	34
Procedures (number)	16	Procedures (number)	41
Time (days)	63	Time (days)	510
Cost (% of income per capita)	723.4	Cost (% of claim)	52.9

Jigawa, Dutse

Starting a business (rank)	25	Registering property (rank)	4
Procedures (number)	9	Procedures (number)	11
Time (days)	34	Time (days)	23
Cost (% of income per capita)	62.4	Cost (% of property value)	10.6
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	1	Enforcing contracts (rank)	6
Procedures (number)	11	Procedures (number)	41
Time (days)	32	Time (days)	261
Cost (% of income per capita)	342.1	Cost (% of claim)	33.8

Kaduna, Kaduna

Starting a business (rank)	15	Registering property (rank)	24
Procedures (number)	11	Procedures (number)	12
Time (days)	31	Time (days)	112
Cost (% of income per capita)	54.3	Cost (% of property value)	13.8
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	32	Enforcing contracts (rank)	2
Procedures (number)	14	Procedures (number)	41
Time (days)	105	Time (days)	291
Cost (% of income per capita)	513.9	Cost (% of claim)	26.2

Kano, Kano

Starting a business (rank)	34	Registering property (rank)	5
Procedures (number)	11	Procedures (number)	9
Time (days)	40	Time (days)	45
Cost (% of income per capita)	59.7	Cost (% of property value)	11.9
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	27	Enforcing contracts (rank)	25
Procedures (number)	18	Procedures (number)	41
Time (days)	73	Time (days)	720
Cost (% of income per capita)	174.5	Cost (% of claim)	32.4

Katsina, Katsina

Starting a business (rank)	18	Registering property (rank)	2
Procedures (number)	8	Procedures (number)	10
Time (days)	35	Time (days)	32
Cost (% of income per capita)	55.6	Cost (% of property value)	9.6
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	8	Enforcing contracts (rank)	1
Procedures (number)	14	Procedures (number)	41
Time (days)	53	Time (days)	314
Cost (% of income per capita)	369.1	Cost (% of claim)	26.0

Kebbi, Birnin Kebbi

Starting a business (rank)	3	Registering property (rank)	17
Procedures (number)	10	Procedures (number)	10
Time (days)	32	Time (days)	196
Cost (% of income per capita)	44.4	Cost (% of property value)	12.0
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	15	Enforcing contracts (rank)	3
Procedures (number)	13	Procedures (number)	41
Time (days)	63	Time (days)	356
Cost (% of income per capita)	396.1	Cost (% of claim)	26.2

Koji, Lokoja

Starting a business (rank)	7	Registering property (rank)	11
Procedures (number)	11	Procedures (number)	11
Time (days)	31	Time (days)	35
Cost (% of income per capita)	48.5	Cost (% of property value)	15.8
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	20	Enforcing contracts (rank)	17
Procedures (number)	12	Procedures (number)	41
Time (days)	58	Time (days)	464
Cost (% of income per capita)	540.7	Cost (% of claim)	36.5

Kwara, Ilorin

Starting a business (rank)	9	Registering property (rank)	16
Procedures (number)	11	Procedures (number)	9
Time (days)	30	Time (days)	74
Cost (% of income per capita)	53.4	Cost (% of property value)	21.0
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	7	Enforcing contracts (rank)	24
Procedures (number)	13	Procedures (number)	41
Time (days)	38	Time (days)	774
Cost (% of income per capita)	521.4	Cost (% of claim)	30.0

Lagos, Lagos

Starting a business (rank)	4	Registering property (rank)	31
Procedures (number)	8	Procedures (number)	13
Time (days)	28	Time (days)	77
Cost (% of income per capita)	54.9	Cost (% of property value)	20.8
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	36	Enforcing contracts (rank)	28
Procedures (number)	18	Procedures (number)	40
Time (days)	116	Time (days)	447
Cost (% of income per capita)	3,504.9	Cost (% of claim)	92.0

Nasarawa, Lafia

Starting a business (rank)	12	Registering property (rank)	18
Procedures (number)	10	Procedures (number)	12
Time (days)	21	Time (days)	105
Cost (% of income per capita)	57.5	Cost (% of property value)	10.9
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	22	Enforcing contracts (rank)	7
Procedures (number)	14	Procedures (number)	41
Time (days)	57	Time (days)	267
Cost (% of income per capita)	492.3	Cost (% of claim)	36.4

Niger, Minna

Starting a business (rank)	15	Registering property (rank)	6
Procedures (number)	9	Procedures (number)	10
Time (days)	32	Time (days)	42
Cost (% of income per capita)	57.9	Cost (% of property value)	13.8
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	5	Enforcing contracts (rank)	13
Procedures (number)	10	Procedures (number)	41
Time (days)	51	Time (days)	515
Cost (% of income per capita)	477.0	Cost (% of claim)	26.5

Ogun, Abeokuta

Starting a business (rank)	5	Registering property (rank)	28
Procedures (number)	8	Procedures (number)	12
Time (days)	32	Time (days)	98
Cost (% of income per capita)	54.8	Cost (% of property value)	16.1
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	16	Enforcing contracts (rank)	17
Procedures (number)	14	Procedures (number)	41
Time (days)	39	Time (days)	455
Cost (% of income per capita)	541.3	Cost (% of claim)	37.1

Ondo, Akure

Starting a business (rank)	36	Registering property (rank)	22
Procedures (number)	12	Procedures (number)	12
Time (days)	40	Time (days)	56
Cost (% of income per capita)	57.0	Cost (% of property value)	18.6
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	10	Enforcing contracts (rank)	8
Procedures (number)	14	Procedures (number)	41
Time (days)	55	Time (days)	382
Cost (% of income per capita)	368.5	Cost (% of claim)	31.4

Osun, Osogbo

Starting a business (rank)	33	Registering property (rank)	30
Procedures (number)	11	Procedures (number)	12
Time (days)	37	Time (days)	91
Cost (% of income per capita)	56.9	Cost (% of property value)	22.3
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	3	Enforcing contracts (rank)	10
Procedures (number)	12	Procedures (number)	41
Time (days)	57	Time (days)	438
Cost (% of income per capita)	247.7	Cost (% of claim)	30.7

Oyo, Ibadan

Starting a business (rank)	24	Registering property (rank)	35
Procedures (number)	10	Procedures (number)	15
Time (days)	31	Time (days)	60
Cost (% of income per capita)	73.2	Cost (% of property value)	23.8
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	8	Enforcing contracts (rank)	19
Procedures (number)	11	Procedures (number)	41
Time (days)	61	Time (days)	439
Cost (% of income per capita)	428.7	Cost (% of claim)	37.2

Plateau, Jos

Starting a business (rank)	20	Registering property (rank)	15
Procedures (number)	11	Procedures (number)	10
Time (days)	34	Time (days)	68
Cost (% of income per capita)	53.8	Cost (% of property value)	17.6
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	17	Enforcing contracts (rank)	22
Procedures (number)	13	Procedures (number)	41
Time (days)	45	Time (days)	498
Cost (% of income per capita)	641.3	Cost (% of claim)	34.6

Rivers, Port Harcourt

Starting a business (rank)	32	Registering property (rank)	33
Procedures (number)	11	Procedures (number)	12
Time (days)	35	Time (days)	112
Cost (% of income per capita)	55.4	Cost (% of property value)	23.1
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	11	Enforcing contracts (rank)	20
Procedures (number)	11	Procedures (number)	41
Time (days)	65	Time (days)	375
Cost (% of income per capita)	393.9	Cost (% of claim)	46.7

Sokoto, Sokoto

Starting a business (rank)	30	Registering property (rank)	22
Procedures (number)	11	Procedures (number)	12
Time (days)	30	Time (days)	85
Cost (% of income per capita)	63.7	Cost (% of property value)	15.1
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	2	Enforcing contracts (rank)	16
Procedures (number)	12	Procedures (number)	41
Time (days)	51	Time (days)	638
Cost (% of income per capita)	173.5	Cost (% of claim)	27.1

Taraba, Jalingo

Starting a business (rank)	19	Registering property (rank)	12
Procedures (number)	9	Procedures (number)	11
Time (days)	35	Time (days)	36
Cost (% of income per capita)	55.2	Cost (% of property value)	15.7
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	12	Enforcing contracts (rank)	20
Procedures (number)	13	Procedures (number)	41
Time (days)	62	Time (days)	327
Cost (% of income per capita)	389.4	Cost (% of claim)	52.6

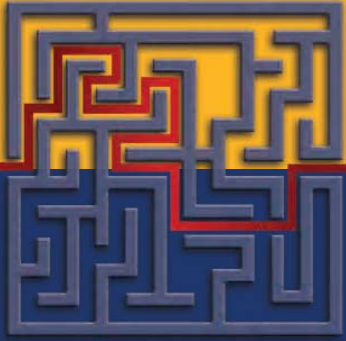
Yobe, Damaturu

Starting a business (rank)	8	Registering property (rank)	9
Procedures (number)	10	Procedures (number)	11
Time (days)	34	Time (days)	87
Cost (% of income per capita)	51.2	Cost (% of property value)	7.7
Paid-in minimum capital (% of income per capita)	0.0		

Dealing with construction permits (rank)	26	Enforcing contracts (rank)	3
Procedures (number)	19	Procedures (number)	41
Time (days)	53	Time (days)	368
Cost (% of income per capita)	415.5	Cost (% of claim)	26.1

Zamfara, Gusau

Starting a business (rank)	2	Registering property (rank)	1
Procedures (number)	10	Procedures (number)	9
Time (days)	26	Time (days)	31
Cost (% of income per capita)	47.6	Cost (% of property value)	8.0
Paid-in minimum capital (% of income per capita)	0.0		
Dealing with construction permits (rank)	24	Enforcing contracts (rank)	11
Procedures (number)	14	Procedures (number)	41
Time (days)	50	Time (days)	402
Cost (% of income per capita)	814.7	Cost (% of claim)	36.0



Indicator snapshots

State, City	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	11	41	66.0	0.0	35	14	63	611.0	29
Adamawa, Yola	9	44	54.8	0.0	29	8	100	381.5	14
Akwa Ibom, Uyo	10	36	53.4	0.0	22	14	99	498.3	31
Anambra, Onitsha	10	34	57.3	0.0	23	14	83	461.1	28
Bauchi, Bauchi	11	33	47.6	0.0	11	13	42	483.2	6
Bayelsa, Yenagoa	11	35	53.1	0.0	26	11	59	550.2	19
Benue, Makurdi	9	36	50.7	0.0	13	14	66	391.2	21
Cross River, Calabar	11	32	51.2	0.0	10	14	72.5	214.6	18
Delta, Warri	9	35	59.3	0.0	28	15	49	343.6	13
Ebonyi, Abakaliki	11	34	54.1	0.0	21	22	67	356.2	30
Edo, Benin City	10	36	45.8	0.0	14	15	66	567.9	33
Ekiti, Ado-Ekiti	11	34	52.1	0.0	17	12	45	442.4	4
Enugu, Enugu	10	33	60.2	0.0	27	14	40	1,106.5	23
FCT, Abuja	6	18	46.3	0.0	1	16	83	1,020.4	35
Gombe, Gombe	11	23	51.2	0.0	6	13	86	455.4	25
Imo, Owerri	11	34	56.7	0.0	31	16	63	723.4	34
Jigawa, Dutse	9	34	62.4	0.0	25	11	32	342.1	1
Kaduna, Kaduna	11	31	54.3	0.0	15	14	105	513.9	32
Kano, Kano	11	40	59.7	0.0	34	18	73	174.5	27
Katsina, Katsina	8	35	55.6	0.0	18	14	53	369.1	8
Kebbi, Birnin Kebbi	10	32	44.4	0.0	3	13	63	396.1	15
Kogi, Lokoja	11	31	48.5	0.0	7	12	58	540.7	20
Kwara, Ilorin	11	30	53.4	0.0	9	13	38	521.4	7
Lagos, Lagos	8	28	54.9	0.0	4	18	116	3,504.9	36
Nasarawa, Lafia	10	21	57.5	0.0	12	14	57	492.3	22
Niger, Minna	9	32	57.9	0.0	15	10	51	477.0	5
Ogun, Abeokuta	8	32	54.8	0.0	5	14	39	541.3	16
Ondo, Akure	12	40	57.0	0.0	36	14	55	368.5	10
Osun, Osogbo	11	37	56.9	0.0	33	12	57	247.7	3
Oyo, Ibadan	10	31	73.2	0.0	24	11	61	428.7	8
Plateau, Jos	11	34	53.8	0.0	20	13	45	641.3	17
Rivers, Port Harcourt	11	35	55.4	0.0	32	11	65	393.9	11
Sokoto, Sokoto	11	30	63.7	0.0	30	12	51	173.5	2
Taraba, Jalingo	9	35	55.2	0.0	19	13	62	389.4	12
Yobe, Damaturu	10	34	51.2	0.0	8	19	53	415.5	26
Zamfara, Gusau	10	26	47.6	0.0	2	14	50	814.7	24

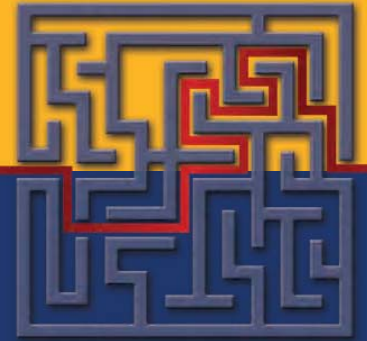
Registering property

State, City	Procedures (number)	Time (days)	Cost (% of property value)	Ease of registering property (rank)
Abia, Aba	13	108	15.9	36
Adamawa, Yola	11	122	12.1	19
Akwa Ibom, Uyo	13	55	15.6	24
Anambra, Onitsha	13	212	12.8	32
Bauchi, Bauchi	11	33	15.7	8
Bayelsa, Yenagoa	12	82	14.3	20
Benue, Makurdi	10	99	11.1	10
Cross River, Calabar	12	48	15.3	14
Delta, Warri	12	80	25.7	29
Ebonyi, Abakaliki	12	86	14.2	21
Edo, Benin City	13	67	26.4	34
Ekiti, Ado-Ekiti	12	55	23.3	24
Enugu, Enugu	12	64	11.7	13
FCT, Abuja	10	51	13.2	7
Gombe, Gombe	10	24	10.6	2
Imo, Owerri	9	146	21.4	27
Jigawa, Dutse	11	23	10.6	4
Kaduna, Kaduna	12	112	13.8	24
Kano, Kano	9	45	11.9	5
Katsina, Katsina	10	32	9.6	2
Kebbi, Birnin Kebbi	10	196	12.0	17
Kogi, Lokoja	11	35	15.8	11
Kwara, Ilorin	9	74	21.0	16
Lagos, Lagos	13	77	20.8	31
Nasarawa, Lafia	12	105	10.9	18
Niger, Minna	10	42	13.8	6
Ogun, Abeokuta	12	98	16.1	28
Ondo, Akure	12	56	18.6	22
Osun, Osogbo	12	91	22.3	30
Oyo, Ibadan	15	60	23.8	35
Plateau, Jos	10	68	17.6	15
Rivers, Port Harcourt	12	112	23.1	33
Sokoto, Sokoto	12	85	15.1	22
Taraba, Jalingo	11	36	15.7	12
Yobe, Damaturu	11	87	7.7	9
Zamfara, Gusau	9	31	8.0	1

Enforcing contracts

Procedures (number)	Time (days)	Cost (% claim)	Ease of enforcing contracts (rank)
41	464	51.7	27
41	729	40.5	33
41	428	46.8	26
41	600	42.6	30
41	455	27.4	9
41	393	36.7	14
41	606	39.7	29
41	802	52.8	36
41	492	37.1	23
41	545	46.3	32
41	314	28.7	5
41	546	44.6	31
41	970	45.4	35
41	381	42.9	15
41	470	27.9	12
41	510	52.9	34
41	261	33.8	6
41	291	26.2	2
41	720	32.4	25
41	314	26.0	1
41	356	26.2	3
41	464	36.5	17
41	774	30.0	24
40	447	92.0	28
41	267	36.4	7
41	515	26.5	13
41	455	37.1	17
41	382	31.4	8
41	438	30.7	10
41	439	37.2	19
41	498	34.6	22
41	375	46.7	20
41	638	27.1	16
41	327	52.6	20
41	368	26.1	3
41	402	36.0	11

List of procedures



LIST OF PROCEDURES STARTING A BUSINESS

Abia, Aba

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 7 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 16 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 3 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal.

It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

* This procedure can be completed simultaneously with previous procedures.

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*. Pay registration fees for business premises into a government account at a designated bank**Time:** 1 day**Cost:** NGN 4,000

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

Procedure 10. Obtain a business premises permit from the State Ministry of Commerce**Time:** 3 days**Cost:** No cost (paid in previous procedure)

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

Procedure 11. Pay the Abia State Physical Planning and Infrastructural Development fee**Time:** 1 day**Cost:** NGN 30,000

Comments: The fees for the Abia State Physical Planning and Infrastructural Development Fund vary between NGN 10,000 and NGN 300,000. The fee is compulsory for all businesses according to the Abia state Physical Planning and Infrastructural Development Fund law No.8 of 2010 (annex B).

STARTING A BUSINESS

Adamawa, Yola

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission**Time:** 7 days**Cost:** NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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:** 14 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public**Time:** 1 day**Cost:** NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC**Time:** 18 days

Cost: NGN 89,000 (NGN 60,000 for legal fees + NGN 20,000 registration fees [NGN 10,000 for first 1,000,000 share capital and NGN 5,000 for each additional 1,000,000] + NGN 3,000 for certified true copy of memorandum and articles

of associations + NGN 2,000 for certified true copy of particulars of directors + NGN 2,000 for certified true copy of particulars of shareholders + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal**Time:** 2 days**Cost:** NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service**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:

* This procedure can be completed simultaneously with previous procedures.

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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*. Receive an inspection from the State Ministry of Commerce 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 State Ministry of Commerce. The Ministry may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 9. Register business premises with the State Ministry of Commerce

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 directly to the Ministry and a permit for business premises registration is issued.

STARTING A BUSINESS

Akwa Ibom, Uyo

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 7 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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 23,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 5,000 transport costs to and from Rivers to handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 cost.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 14 days

Cost: NGN 79,000 (NGN 50,000 for legal fees + NGN 20,000 registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

* This procedure can be completed simultaneously with previous procedures.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 3 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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: Fees for the business premises permit are paid into a government account at a designated bank. NGN 10,000 is the cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 10. Register business premises with the State Ministry of Commerce and Industry

Time: 3 days

Cost: No cost

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Commerce and Industry.

STARTING A BUSINESS

Anambra, Onitsha

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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 21,681 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 3,500 of estimated travel expenses to nearest stamp duty office)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 cost.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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

* This procedure can be completed simultaneously with previous procedures.

Court. The common practice is for this declaration to be sworn before a Commissioner for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million]+ 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 16 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 5 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies

and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 a business premises permit

Time: 1 day

Cost: NGN 10,000

Comments: The business premises permit fees for first time registration are set at NGN 10,000 for medium-sized business situated in urban areas. Fees for the business premises permit are paid into a government account at a designated bank. Upon payment the bank issues a receipt that acts as a business premises permit, no further steps are needed.

STARTING A BUSINESS

Bauchi, Bauchi

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 days. The company's name reservation lasts 60 days but can be renewed for a similar period.

* This procedure can be completed simultaneously with previous procedures.

Procedure 2. Prepare the requisite incorporation documents

Time: 4 days

Cost: NGN 500 (costs of incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 17,681 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies 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 Inland Revenue Service.

Procedure 4. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 5. Obtain bank draft from a bank for payment of the registration fees

Time: 1 day

Cost: NGN 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 6. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 7*. Make a company seal

Time: 5 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 8. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;

- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 9*. 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 10*. Receive an inspection from the State Ministry of Commerce and Industry for business premises registration

Time: 4 days

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

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

Procedure 11. Pay registration fees and obtain a business premises permit

Time: 1 day

Cost: NGN 3,000

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 C and located in the suburbs of the city. For category C which includes companies with a start-up capital of NGN 1,000,000 to NGN 3,000,000 the fee is NGN 3,000 for first time registration upon incorporation, and subsequent annual payments of NGN 1,500 as renewal fee. The fees are paid directly into the government bank account at a designated bank. A receipt is issued by the bank which serves as a business premises permit, no further steps are needed and the company can start legally operating.

STARTING A BUSINESS

Bayelsa, Yenagosa

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 5 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;

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

There is a stamp duty office located in the state capital in Bayelsa state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million]+ 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 15 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true

copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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.

* This procedure can be completed simultaneously with previous procedures.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Trade, Industry and Investment 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 State Ministry of Trade, Industry and Investment. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 4,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 4,000 is the cost of business premises registration for a Private Limited company in zone A.

Procedure 11. Obtain a business premises permit from State Ministry of Trade, Industry and Investment

Time: 1 day

Cost: No cost

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

STARTING A BUSINESS

Benue, Makurdi

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 3 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 3 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies

* This procedure can be completed simultaneously with previous procedures.

and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 8*. 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 9*. Register business premises with the State 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 and Industry. Payments are made directly to the Ministry and a permit for business premises registration is thereafter issued.

STARTING A BUSINESS

Cross River, Calabar

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 4 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;

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

There is now a stamp duty office in Cross River State.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 10 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true

copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 Investment Promotion Bureau 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 Investment Promotion Bureau. The Bureau 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 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 cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 11. Obtain a business premises permit from the Investment Promotion Bureau

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 Investment Promotion Bureau.

STARTING A BUSINESS

Delta, Warri

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 7 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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: 5 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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

* This procedure can be completed simultaneously with previous procedures.

Court. The common practice is for this declaration to be sworn before a Commissioner for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 14 days

Cost: NGN 99,000 (NGN 70,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million]+ 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 70,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 1 day

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 7*. 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 8*. Receive an inspection from the State 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 State Ministry of Commerce and Industry. The Ministry 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 and obtain a business premises permit

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 cost of business premises registration for a medium sized company carrying on general commercial activities. A receipt is issued by the bank which serves as a business premises permit, no further steps are needed and the company can start legally operating.

STARTING A BUSINESS

Ebonyi, Abakaliki

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 days. The company's name reservation lasts 60 days but can be renewed for a similar period.

* This procedure can be completed simultaneously with previous procedures.

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

Time: 7 days

Cost: NGN 20,681 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 2,500 of estimated travel expenses to nearest stamp duty office)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 cost.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;

- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce and Industry for business premises registration

Time: 1 day

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the State Ministry of Commerce and Industry. The Ministry 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 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 cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 11. Obtain a business premises permit from the State 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 State Ministry of Commerce and Industry issues a business premises permit to the new business.

STARTING A BUSINESS

Edo, Benin City

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 7 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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: 5 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 14 days

Cost: NGN 69,000 (NGN 40,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copies of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of

association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 40,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 1 day

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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.

* This procedure can be completed simultaneously with previous procedures.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 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 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 State Ministry of Commerce and Industry issues a business premises permit to the new business.

STARTING A BUSINESS

Ekiti, Ado-Ekiti

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 7 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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: 3 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

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

There is a stamp duty office located in Ekiti state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 15 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies

* This procedure can be completed simultaneously with previous procedures.

and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Trade, Investment and Innovation 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 State Ministry of Trade, Investment and Innovation. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 2,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 2,000 is the cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 11. Obtain a business premises permit from the State Ministry of Trade, Investment and Innovation

Time: 1 day

Cost: No cost

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

STARTING A BUSINESS

Enugu, Enugu

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 6 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees (NGN 10,000 for the first 1,000,000 share capital + NGN 5,000 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

* This procedure can be completed simultaneously with previous procedures.

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 a business premises permit

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 cost of business premises registration for a medium sized company carrying on general commercial activities. A receipt is issued by the bank which serves as a business premises permit, no further steps are needed and the company can start legally operating.

STARTING A BUSINESS

FCT, Abuja

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 2 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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: 6 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

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

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

* This procedure can be completed simultaneously with previous procedures.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 9 days

Cost: NGN 79,000 (NGN 50,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 1 day

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6*. Register at the integrated Tax Office for corporate income tax, VAT, and PAYE

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

STARTING A BUSINESS

Gombe, Gombe

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 5 days

Cost: NGN 23,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 5,000 transport costs to and from Bauchi to handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 cost.

* This procedure can be completed simultaneously with previous procedures.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million]+ 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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 20,000 is payable for the first time and NGN 25,000 is payable for subsequent years until it files a notice of commencement of business.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Trade 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 State Ministry of Trade and Industry. The Ministry 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 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 cost of business premises registration for a company belonging to the category "General Merchants" located in Gombe metropolitan.

Procedure 11. Obtain a business premises permit from the State Ministry of Trade and Industry

Time: 1 day

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Trade and Industry.

STARTING A BUSINESS

Imo, Owerri

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

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

There is a stamp duty office in Imo state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 5 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal.

It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

* This procedure can be completed simultaneously with previous procedures.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 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 cost of business premises registration for a medium sized company carrying on general commercial activities.

Procedure 11. Obtain a business premises permit from the State 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 State Ministry of Commerce and Industry issues a business premises permit to the new business.

STARTING A BUSINESS

Jigawa, Dutse

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission**Time:** 3 days**Cost:** NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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 23,181 (stamp duty of 0.75% of the share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for the incorporation forms + NGN 5,000 transport costs to and from Kano to handle stamping of documents)

Comments: This procedure involves the following tasks:

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

There is no stamp duty office in Jigawa state, the closest stamp duty is located in Kano state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public**Time:** 1 day**Cost:** NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for the first 1,000,000 share capital + NGN 5,000 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal**Time:** 2 days**Cost:** NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service**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

* This procedure can be completed simultaneously with previous procedures.

a tax clearance certificate. A form obtained from the tax office is filled and the following documents submitted with it:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce for business premises registration and pay the fees

Time: 1 day

Cost: NGN 20,000

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the State Ministry of Commerce. The inspection of the premises confirms the location of the business and determines the type of business activity. The inspector receives directly the payment for the business premises permit and issues a receipt. The receipt being a proof of payment, acts as a business premises permit until the Ministry sends the official permits by post.

STARTING A BUSINESS

Kaduna, Kaduna

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 4 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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: 4 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 100

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

* This procedure can be completed simultaneously with previous procedures.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 3 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 8*. 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 9*. Receive an inspection from the State Ministry of Commerce and Industry 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 State Ministry of Commerce and Industry. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 7,100 (NGN 100 for application form + NGN 7,000 for business premises registration fee)

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

Procedure 11. Obtain a business premises permit from the State Ministry of Commerce and Industry

Time: 1 day

Cost: No cost (paid in previous procedure)

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Commerce and Industry. 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 manufac-

turing company, the fee amounts to NGN 7,000 and NGN 5,000 for subsequent annual renewals of the permit.

STARTING A BUSINESS

Kano, Kano

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 4 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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

* This procedure can be completed simultaneously with previous procedures.

Court. The common practice is for this declaration to be sworn before a Commissioner for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies

and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce, Industry, Cooperatives and Tourism 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 State Ministry of Commerce, Industry, Cooperatives and Tourism. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

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

Procedure 11. Obtain a business premises permit from the State Ministry of Commerce, Industry, Cooperatives and Tourism

Time: 3 days

Cost: No cost

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

* This procedure can be completed simultaneously with previous procedures.

STARTING A BUSINESS

Katsina, Katsina

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 5 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 21 days

Cost: NGN 89,000 (NGN 60,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 3 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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

* This procedure can be completed simultaneously with previous procedures.

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 State Ministry of Commerce for business premises registration and pay the fees

Time: 1 day

Cost: NGN 10,000

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the State Ministry of Commerce. The inspection of the premises confirms the location of the business and determines the type of business activity. The inspector receives directly the payment for the business premises permit and issues a certificate of registration. NGN 10,000 is the cost of business premises registration for a medium sized company carrying on general commercial activities. The certificate being a proof of payment, acts as a business premises permit until the Inspector comes back to deliver the official document.

STARTING A BUSINESS

Kebbi, Birnin Kebbi

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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 23,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 5,000 transport costs to and from Sokoto to handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;

- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;

- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 40,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

* This procedure can be completed simultaneously with previous procedures.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 8*. 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 9*. Receive an inspection from the State 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 State Ministry of Commerce and Industry. The Ministry may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 10. Obtain a business premises permit from the State Ministry of Commerce and Industry

Time: 1 day

Cost: NGN 2,000

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

issued. NGN 2,000 is the cost of business premises registration for a Medium Scale Enterprise in an Urban area.

STARTING A BUSINESS

Kogi, Lokoja

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 4 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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 23,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 5,000 transport costs to and from Abuja to handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 40,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 8*. 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 9*. Receive an inspection from the State Ministry of Industry, Trade and Investment 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 State Ministry of Industry, Trade and Investment. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,000

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

Procedure 11. Obtain a business premises permit from the State Ministry of Industry, Trade and Investment

Time: 1 day

Cost: No cost

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Industry, Trade and Investment. The entrepreneur brings the bank teller to the ministry and receives the business premises permit.

STARTING A BUSINESS

Kwara, Ilorin

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 4 days

Cost: NGN 18,181 (stamp duty of 0.75% per share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

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

There is now a stamp duty office in Kwara state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

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

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Industry, Trade and Investment 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 State Ministry of Industry, Trade and Investment. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 16,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 16,000 is the cost of business premises registration for a medium scale enterprise in an urban area.

Procedure 11. Obtain a business premises permit from the State Ministry of Industry, Trade and Investment

Time: 1 day

Cost: No cost

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Industry, Trade and Investment.

STARTING A BUSINESS

Lagos, Lagos

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

Comments: The Corporate Affairs Commission (CAC) Online System was commissioned in June 2005. The system envisaged an online search of unique company names immediately upon the purchase of an e-payment card from an accredited bank. Although this service is widely advertised by CAC, until now the system is not fully operational either because of power fluctuation or because of

* This procedure can be completed simultaneously with previous procedures.

lack of availability of the pre-paid cards necessary to conduct the online transaction. In most cases, the applicants have to go to the CAC branch office in Lagos (either in Yaba or Alausa) to complete this procedure, where they submit Form CAC 1: Availability check and reservation of name.

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

Time: 7 days

Cost: NGN 18,181 (stamp duty of 0.75% per share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: To prepare the requisite incorporation documents, the incorporators must complete the requisite statutory forms, prepare and print the memorandum and articles of association, and have them stamped by the Federal Inland Revenue Service (FIRS)

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: The declaration by the barrister or solicitor engaged in the formation of the company may be sworn to before a notary public for a fee of NGN 4,000 - NGN 5,000, or at any of the recognized courts in the country (Magistrate Court, the State High Court, or the Federal High Court) before a Commissioner for Oaths for a small fee of NGN 500 usually chargeable by the respective courts.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 11 days

Cost: NGN 89,000 (NGN 60,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

Comments: To register the company with the Corporate Affairs Commission (CAC), the following incorporation documents are submitted:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;

- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

The payment can be done at the bank desk at CAC.

Procedure 5*. Make a company seal

Time: 1 day

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) (CAMA) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. Such is also the common practice, especially because companies will generally have to register a deed and other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

Time: 4 days

Cost: No cost

Comments: The Federal Inland Revenue Service (FIRS) requires the applicant to complete tax registration forms for corporate income tax registration as well as VAT.

The company submits an application letter to the tax authority for a tax clearance certificate and, for income tax purposes, registers at the integrated tax office.

The registration process requires submitting a completed tax office-issued application (taxpayer registration input form, TRIF/2006/001 COYS) and the following documents:

- Completed FIRS questionnaire;
- Memorandum and articles of association (copy);
- Certificate of incorporation (copy);
- Directors' names and addresses;
- Tax advisor's name and address;
- Letter of appointment of a tax adviser and corresponding letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

To register, the company must submit the taxpayer registration input form in triplicate, and the original certificate of incorporation must be presented for review by the controller. Upon the completed taxpayer registration input form and all other documents being received, a tax reference number is allocated. An application must be filed for the tax clearance certificate; its issuance is not automatic.

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

Time: 2 days

Cost: No cost

Comments: All employers shall register with the relevant state tax authority for income tax withholding.

The PAYE Regulations, 2003 made pursuant to the Personal Income Tax Act provides that all employers are to register with the Lagos State Board of Internal Revenue Tax Office nearest to the registered company address for the purpose of remitting income tax deducted from their employees. The employer must within 6 months of commencing a business deduct tax from emoluments of employees and remit the amount deducted to any of the designated collecting banks.

The registration requirements are as follows:

- A copy of certificate of incorporation;
- List of staff and their annual salaries;
- The Directors' Tax Clearance Certificates (now Electronic Tax Clearance Certificate);
- Letter of application for registration.

Upon completion of registration, an Employer's Identification Number will be issued.

An employer who fails or refuses to register commits an offence and is liable on conviction to pay a NGN 25,000 fine in addition to the payment of arrears of the tax due.

Procedure 8*. Register business premises with the Lagos State Government and Pay the business premises levy at a designated bank

Time: 1 day

Cost: NGN 10,000

Comments: To register the company premises with the Lagos State Government, the entrepreneur heads to any nationalized commercial bank with some evidence of the business premises (utility bills, etc.) and pays the business premise levy to the account of the Lagos Inland Revenue Services (LIRS). The bank then issues a receipt bearing the Lagos State Government logo.

Business premises in an urban area of Nigeria are required to be registered on the payment of a NGN 10,000 registration fee in the first year of registration (NGN 5,000 per annum as renewal registration fees in the subsequent years).

For rural areas, the business premises registration fees is NGN 2,000 for the first year of registration (NGN 1,000 per annum as registration renewal fees for the subsequently years).

STARTING A BUSINESS

Nasarawa, Lafia

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 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: 3 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

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

There is now a stamp duty office in Nasarawa state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 250

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 7 days

Cost: NGN 99,000 (NGN 70,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 70,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 1 day

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 8*. Receive an inspection from the State Ministry of Industry, Trade and Investment 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 State Ministry of Industry, Trade and Investment. The Ministry 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 cost of business premises registration for a limited liability company in an urban area.

Procedure 10. Obtain a business premises permit from the State Ministry of Industry, Trade and Investment

Time: 1 day

Cost: No cost

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Industry, Trade and Investment.

STARTING A BUSINESS

Niger, Minna

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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 23,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for the incorporation forms + NGN 5,000 transport costs to and from Abuja for handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 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 the lawyers to charge this separately from the professional fees.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 14 days

Cost: NGN 89,000 (NGN 60,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);

- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 3 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

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

* This procedure can be completed simultaneously with previous procedures.

- h. The date the company commenced business;
- i. Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- j. Other sources of income of the chairman and the promoters of the company;
- k. Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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*. Receive an inspection from the State Ministry of Investment for business premises registration

Time: 2 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 State Ministry of Investment. The Ministry 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 and obtain a business premises permit

Time: 1 day

Cost: NGN 10,000

Comments: The cost of business premises registration is of NGN 10,000 for a medium size company operating in general commercial activities. The fees are paid directly into the government bank account at a designated bank. A receipt is issued by the bank which serves as a business premises permit, no further steps are needed from the entrepreneur and the company can start legally operating. The official business premises permit is later sent by post.

STARTING A BUSINESS

Ogun, Abeokuta

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 4 days

Cost: NGN 18,181 (stamp duty at 0.75% per share capital + NGN 1,000 for stamping of two extra copies 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 Inland Revenue Service.

There is now a stamp duty office located in Ogun state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 15 days

Cost: NGN 89,000 (NGN 60,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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 1: Availability check and reservation of name;
- c. Form CAC 2: Statement of share capital and return of allotment of shares;
- d. Form CAC 21: Particulars of the company secretary;
- e. Form CAC 3: Notice of registered address;
- f. Form CAC 4: Declaration of compliance;
- g. Form CAC 7: Particulars of directors;
- h. Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 2 days

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies

* This procedure can be completed simultaneously with previous procedures.

and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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

Time: 2 days

Cost: NGN 10,000

Comments: The business permit fee for small manufacturing companies in urban areas of Ogun state is NGN 10,000. The fees are paid directly to the State Ministry of Commerce and Industry. A business premises permit is issued to the applicant after payment is made.

STARTING A BUSINESS

Ondo, Akure

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 4 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;

- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees (NGN 10,000 for the first 1,000,000 share capital + NGN 5,000 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

* This procedure can be completed simultaneously with previous procedures.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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;
- h. The date the company commenced business;
- i. Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- j. Other sources of income of the chairman and the promoters of the company;
- k. Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 15,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 15,000 is the cost of business premises registration for a medium sized company under the category "General Merchants".

Procedure 11. 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 receives a copy of the payment receipts from the entrepreneur.

Procedure 12. Obtain a business premises permit from the State Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: The newly incorporated company is then required to register its business premises with the State Ministry of Commerce and Industry. The Ministry compares the receipt of the business premises fee payment of the entrepreneur (customer copy) against the copy sent by the State Board of Internal Revenue, and issues the business premises permit.

STARTING A BUSINESS

Osun, Osogbo

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 4 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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: 4 days

Cost: NGN 21,681 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 3,500 transport costs to and from Oyo to handle stamping of documents)

Comments: This procedure involves the following tasks:

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

* This procedure can be completed simultaneously with previous procedures.

- b. Completing the requisite statutory forms, and;
- c. Having the memorandum and articles of association stamped by the Federal 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 cost.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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 1: Availability check and reservation of name;
- c. Form CAC 2: Statement of share capital and return of allotment of shares;
- d. Form CAC 2.1: Particulars of the company secretary;
- e. Form CAC 3: Notice of registered address;
- f. Form CAC 4: Declaration of compliance;
- g. Form CAC 7: Particulars of directors;

- h. Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 1 day

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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;
- h. The date the company commenced business;
- i. Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- j. Other sources of income of the chairman and the promoters of the company;
- k. Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce, Industry, Cooperatives and Empowerment 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 State Ministry of Commerce, Industry, Cooperatives and Empowerment. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 10,250

* This procedure can be completed simultaneously with previous procedures.

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. For a company of the category “unclassified other business-medium”, the business premises fee is of NGN 10,250 out of which NGN 250 is the flat fee for the application form.

Procedure 11. Obtain a business premises permit from the State Ministry of Commerce, Industry, Cooperatives and Empowerment

Time: 1 day

Cost: No cost

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

STARTING A BUSINESS

Oyo, Ibadan

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 4 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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: 4 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees (NGN 10,000 for the first 1,000,000 share capital + NGN 5,000 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 15 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

* This procedure can be completed simultaneously with previous procedures.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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

Time: 1 day

Cost: NGN 50,000

Comments: The entrepreneur pays the flat fee of NGN 50,000 for business premises into the government bank account at a designated bank. After the payment, the entrepreneur submits the bank teller to the State Ministry of Trade, Investment and Cooperatives.

Procedure 10*. Receive an inspection from the State Ministry of Trade, Investment and Cooperatives and obtain the business premises permit

Time: 1 day

Cost: No cost

Comments: After the arrival of all application documents, an inspection of the business premises is carried out by an officer from the State Ministry of Trade, Investment and Cooperatives. The Ministry may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity. Once the inspection is completed, no further steps are expected from the entrepreneur concerning the business premises permit.

STARTING A BUSINESS

Plateau, Jos

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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 25,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 7,000 for transport costs to and from Abuja to handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 cost.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 50

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 3 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies

* This procedure can be completed simultaneously with previous procedures.

and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

Procedure 8*. 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 9*. Receive an inspection from the State 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 State Ministry of Commerce and Industry. The Ministry 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 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 cost of business premises registration for a medium size company in an urban area.

Procedure 11. Obtain a business premises permit from the State Ministry of Commerce and Industry

Time: 2 days

Cost: No cost

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Commerce and Industry.

STARTING A BUSINESS

Rivers, Port Harcourt

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 10 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 10 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 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 500

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

* This procedure can be completed simultaneously with previous procedures.

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 60,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal**Time:** 1 day**Cost:** NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service**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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 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 cost of business premises registration for companies belonging to the category "General Merchants & Distributors" in Zone I (Port Harcourt and Obio/Akpor Local Govt. Areas).

Procedure 11. Obtain a business premises permit from the State 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 State 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: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission**Time:** 4 days**Cost:** NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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:** 5 days

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 20

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at the Corporate Affairs Commission

Time: 11 days

Cost: NGN 70,000 (legal fees)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;

- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 70,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 4,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;

- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce, Industry and Tourism 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 State Ministry of Commerce, Industry and Tourism. The Ministry 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 for business premises into a government account at a designated bank

Time: 1 day

Cost: NGN 20,000

* This procedure can be completed simultaneously with previous procedures.

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 cost of business premises registration for a medium size company in an urban area.

Procedure 11. Obtain a business premises permit from the State Ministry of Commerce, Industry and Tourism

Time: 1 day

Cost: No cost

Comments: The owner applies at the State Ministry of Commerce, Industry and Tourism for a business premises permit.

STARTING A BUSINESS

Taraba, Jalingo

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 7 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 7 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 28,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 10,000 transport costs to and from Abuja to handle stamping of documents)

Comments: This procedure involves the following tasks:

- Preparing and printing the memorandum and articles of association;
- Completing the requisite statutory forms, and;
- Having the memorandum and articles of association stamped by the Federal 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 and cost.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary.

Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 2 days

Cost: NGN 5,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

* This procedure can be completed simultaneously with previous procedures.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce and Industry for business premises registration and pay the fees

Time: 2 days

Cost: NGN 10,000

Comments: After the submission of all application documents, an inspection of the business premises is carried out by an officer from the State Ministry of Commerce and Industry. The inspection of the premises confirms the location of the business and determines the type of business activity. The inspector receives directly the payment for the business premises permit and issues a receipt. The receipt being a proof of payment, acts as a business premises permit until the Ministry sends the official permit by post.

STARTING A BUSINESS

Yobe, Damaturu

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 5 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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 5 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: 14 days

Cost: NGN 23,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms + NGN 5,000 transport costs to and from Bauchi to handle stamping of documents)

Comments: This procedure involves the following tasks:

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

There is no stamp duty in Yobe state. Applicants usually travel to the stamp duty office located in Bauchi.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for 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 29,000 (NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

Procedure 5. Register the company at 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:

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;
- Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 6*. Make a company seal

Time: 3 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal.

* This procedure can be completed simultaneously with previous procedures.

It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 7. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State Ministry of Commerce, Industry and Tourism 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 State Ministry of Commerce, Industry and Tourism. The Ministry may conduct an inspection of the premises to confirm the location of the business and determine the type of business activity.

Procedure 10. Obtain a business premises permit from the State Ministry of Commerce, Industry and Tourism

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, Industry and Tourism. Payments are made in cash directly to the Ministry and a permit for business premises registration is issued.

STARTING A BUSINESS

Zamfara, Gusau

Standard company legal form: Private Limited Liability Company

Minimum capital requirement: none

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Reserve a unique company name at the Corporate Affairs Commission

Time: 3 days

Cost: NGN 500

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 500 from an accredited bank. Until now the system is not fully operational either because of power fluctuation or network failures, applicants may 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'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: 5 days

Cost: NGN 18,181 (stamp duty at 0.75% of share capital + NGN 1,000 for stamping of two extra copies of memorandum and articles of association + NGN 500 for incorporation forms)

Comments: This procedure involves the following tasks:

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

There is now a stamp duty in Zamfara state.

Procedure 3. Sign the declaration of compliance (Form CAC 4) before a Commissioner for Oaths or notary public

Time: 1 day

Cost: NGN 200

Comments: A declaration that the requirements of the Companies and Allied Matters Act have been met must be sworn 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 for Oaths at the state High Court.

Procedure 4. Register at the Corporate Affairs Commission and Pay the fees at the bank desk of CAC

Time: 10 days

Cost: NGN 79,000 (NGN 50,000 for legal fees + NGN 20,000 for registration fees [NGN 10,000 for company whose nominal share capital is NGN 1,000,000 or less + NGN 5,000 for all subsequent million] + 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 + NGN 2,000 for certified true copy of particulars of the company secretary)

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

- Stamped memorandum and articles of association (2 copies);
- Form CAC 1: Availability check and reservation of name;
- Form CAC 2: Statement of share capital and return of allotment of shares;
- Form CAC 2.1: Particulars of the company secretary;
- Form CAC 3: Notice of registered address;
- Form CAC 4: Declaration of compliance;
- Form CAC 7: Particulars of directors;

* This procedure can be completed simultaneously with previous procedures.

h. Photocopy of information page of international passport or national identity card for each director and subscriber.

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 5,000. Fees for certified true copies of some forms are paid as follows: NGN 3,000 for C.T.C of memorandum and articles of association, NGN 2,000 for C.T.C of particulars of directors (CAC 7), NGN 2,000 for C.T.C of allotment of share capital (CAC 2) and NGN 2,000 for C.T.C of particulars of the company secretary. Lawyers are usually hired to undertake the administrative incorporation procedures. On average, a lawyer will charge NGN 50,000 to handle the entire incorporation process in this state.

Procedure 5*. Make a company seal

Time: 2 days

Cost: NGN 6,000

Comments: Section 74 of the Companies and Allied Matters Act (CAMA) requires every company to have a common seal. The company is thus mandated to have a company seal by the Companies and Allied Matters Act 1990 (2004) first schedule paragraph 15, which provides a standard memorandum of articles of companies and requires directors to provide a company seal. It is also the common practice, especially because companies will generally have to register a deed or other official documents.

Procedure 6. Register for income tax and VAT at the Federal Inland Revenue Service

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:

- Taxpayer registration input form (TRIF/2006/001 COYS);
- Completed FIRS questionnaire;
- Copy of memorandum and articles of association;
- Names and addresses of directors;
- Copy of the certificate of incorporation;
- Name, address of tax adviser;
- Letter of appointment of tax adviser and a letter of acceptance;
- The date the company commenced business;
- Names, addresses and mobile numbers of major promoters and the chairman of the company, including their email addresses;
- Other sources of income of the chairman and the promoters of the company;
- Name and addresses of the principal officers of the company including the chairman, managing director, legal adviser and accountant.

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

Since the registration for corporate income tax and VAT are done in the same place; one Tax Identification Number (TIN) is issued to companies for all federal taxes.

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 State 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 State Ministry of Commerce and Industry. The Ministry 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 2,000

Comments: The payment of the business premises registration fees is made directly into the government bank account at a designated bank. NGN 2,000 is the cost of business premises registration for a medium size company operating in general commercial activities in Gusau metropolis.

Procedure 10. Obtain a business premises permit from the State Ministry of Commerce and Industry

Time: 1 day

Cost: No cost

Comments: The newly incorporated company is required to register its business premises with the State Ministry of Commerce and Industry.

LIST OF PROCEDURES

DEALING WITH CONSTRUCTION PERMITS

Abia, Aba

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report from a registered town planner

Time: 14 days

Cost: NGN 200,000 (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, sealed.

Procedure 2. Apply for a building permit at the Aba Town Planning Authority

Time: 1 day

Cost: NGN 253,990 (NGN 55,740 planning rate + NGN 146,250 inspection fee + NGN 10,000 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:

- Proof of ownership (such as a Certificate of Occupancy or registered deeds);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules);

- Structural designs, sealed by a registered structural engineer (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);
- Electrical designs, sealed by a registered electrical engineer (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);

- Environmental Impact Assessment Report;
- Current tax clearance certificate;
- 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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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 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 8. 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 "stage permit" stating that the construction has been carried out according to the approved building plans.

Procedure 9. 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 "stage permit" stating that the construction has been carried out according to the approved building plans.

Procedure 10. 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 "stage permit" stating that the construction has been carried out according to the approved building plans.

Procedure 11. 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 "stage permit" stating that the construction has been carried out according to the approved building plans.

Procedure 12. 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 "stage permit" stating that the construction has been carried out according to the approved building plans.

Procedure 13. 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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 14*. 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, AIRTEL, GLO or ETISALAT). In Abuja, 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.

DEALING WITH CONSTRUCTION PERMITS

Adamawa, Yola*Warehouse value: NGN 74,890,495 (US\$ 481,497)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Obtain an Environmental Impact Assessment Report from a registered town planner****Time:** 19 days**Cost:** NGN 60,000

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 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 Lands and Survey**Time:** 5 days**Cost:** NGN 2,500

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. Apply for a building permit at the Adamawa State Urban Planning and Development Authority**Time:** 1 day**Cost:** NGN 80,000

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and 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 4. 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. Although there are no official charges for the inspection, BuildCo has to pay an unofficial fee to the inspectors of around NGN 5,000.

Procedure 5. Obtain a building permit from the Adamawa State Urban Planning and Development Authority**Time:** 60 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 6. Set up a septic tank**Time:** 14 days**Cost:** NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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.

DEALING WITH CONSTRUCTION PERMITS

Akwa Ibom, Uyo*Warehouse value: NGN 74,890,495 (US\$ 481,497)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from an environmental specialist****Time:** 10 days**Cost:** NGN 120,000 (NGN 100,000 Environmental Impact Assessment Report + NGN 20,000 Site Analysis Report)

Comments: BuildCo hires a registered environmental 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 environmental 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. The same environmental specialist 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 environmental specialist 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)

* This procedure can be completed simultaneously with previous procedures.

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. Alternatively, the affidavit can be sworn at the Chief Magistrate Court in Uyo.

Procedure 3. Apply for a building plan approval at the Uyo Capital City 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 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, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- d. The Environmental Impact Assessment Report;
- e. The Site Analysis Report;
- f. Receipt of payment of fees.

Procedure 4. Pay the building plan approval fees at a designated bank

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: 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 Uyo Capital City Development Authority. The Uyo Capital City Development Authority then schedules a pre-approval inspection at BuildCo's development site.

Procedure 5. 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 6. 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. 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 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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 9*. Pay 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 10. 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 11. Receive an inspection during construction from the Uyo Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: 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 12. Receive an inspection during construction from the Uyo Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 13. Obtain a Certificate of Fitness for Habitation from the Uyo Capital City Development Authority

Time: 7 days

Cost: NGN 1,500

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 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.

* This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

Anambra, Onitsha

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain a Site Analysis Report and a Town Planner Technical Report (TPTR) from a registered town planner**Time:** 10 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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- Site Analysis Report;
- Three-year tax clearance certificate;

- Certificate of structural stability signed by a registered engineer;
- Receipt of payment of fees;
- Letter of undertaking signed by a registered builder to supervise the construction process;
- Town planners Technical Report (TPTR).

The documents are reviewed by the 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. Although there is no official fee related to the pre-approval inspection, an unofficial fee of around NGN 10,000 may be charged.

Procedure 5. Obtain a building plan approval from the Anambra State Urban Development Board**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 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. Although there is no official fee related to this procedure, an unofficial processing fee of around NGN 30,000 may be charged.

Procedure 6. Set up a septic tank**Time:** 14 days**Cost:** NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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*. Pay 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 9. 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. Although there is no official fee for the inspection, an unofficial fee of around NGN 10,000 may be charged.

Procedure 10. Receive an inspection at first floor level from the Anambra State Urban Development Board**Time:** 1 day**Cost:** No cost

* This procedure can be completed simultaneously with previous procedures.

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. Although there is no official fee for the inspection, an unofficial fee of around NGN 10,000 may be charged.

Procedure 11. 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. Although there is no official fee for the inspection, an unofficial fee of around NGN 10,000 may be charged.

Procedure 12. 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. Although there is no official fee, an unofficial fee of around NGN 10,000 may be charged.

Procedure 13. Obtain a Certificate of Completion from the Anambra State Urban Development Board

Time: 21 days

Cost: No cost

Comments: After the building has been completed, the Uyo Capital City Development 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 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.

DEALING WITH CONSTRUCTION PERMITS

Bauchi, Bauchi

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from a registered town planner

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 EIA is checked and approved by the Bauchi State Environmental Protection Agency (BASEPA). 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 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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);

d. Receipt of payment of fees;

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. Payment is made at a designated bank is increasing.

Procedure 3. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 314,700 (NGN 278,700 building plan approval [NGN 300 per square meter of the plot of land] + NGN 36,000 fencing fee [NGN 300 per perimeter of the plot of land])

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 Bauchi 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 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 5. Obtain a building plan approval from the Bauchi State Urban Development Board

Time: 14 days

Cost: No cost

Comments: After the pre-approval inspection, the Bauchi State Urban Development Board examines the documents submitted and issues BuildCo a building permit.

Procedure 6. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

* This procedure can be completed simultaneously with previous procedures.

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, install, and testing a borehole of commercial capacity.

Procedure 8. Receive an inspection at setting out level by the Bauchi State Urban Development Board**Time:** 1 day**Cost:** No cost

Comments: Once the setting out 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. The inspectors must ensure the compliance with the standard code of practice (for example the use of concrete mixer machine). Construction work does not stop during the inspection.

Procedure 9. Receive an inspection at first floor level from 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. The inspectors must ensure the compliance with the standard code of practice (for example the use of concrete mixer machine). Construction work does not stop during the inspection.

Procedure 10. Receive an inspection at second floor level from the Bauchi State Urban Development Board**Time:** 1 day**Cost:** No cost

Comments: Once the first floor 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. The inspectors must ensure the compliance with the standard code of practice (for example the use of concrete mixer machine). Construction work does not stop during the inspection.

Procedure 11. 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. The inspectors must ensure the compliance with the standard code of practice (for example the use of concrete mixer machine). Construction work does not stop during the inspection.

Procedure 12. Request and receive a final inspection from the Bauchi State Urban Development Board**Time:** 1 day**Cost:** No cost

Comments: BuildCo notifies the Bauchi State Urban Development Board that the construction is completed. A final inspection follows, during which the Bauchi State 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. After the final inspection, the Bauchi State Urban Development Board signs the Site Plan (at no cost). This is the confirmation that the building has been constructed according to the approved drawings.

Procedure 13*. 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.

DEALING WITH CONSTRUCTION PERMITS

Bayelsa, Yenagoa

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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 State 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 for Oaths**Time:** 1 day**Cost:** NGN 500

Comments: BuildCo has to swear deposition on the application forms before the Commissioner for 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 State Capital City 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 Bayelsa State Capital City Development Authority, along with the following documents:

- a. Proof of ownership (such as a Certificate of Occupancy or, if missing, evidence of having submitted an application for the 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, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- d. Environmental Impact Assessment Report;
- e. Site Analysis Report;
- f. Three-year tax clearance certificate;
- g. Application form, duly sworn before the Commissioner for Oaths;
- h. Certificate of incorporation;
- i. Articles of association;
- j. Certificate of structural stability signed by a registered engineer;
- k. Receipt of payment of the development levy;
- l. Letter of undertaking form the structural engineer.

* This procedure can be completed simultaneously with previous procedures.

The documents are reviewed by the Director of Development Control at the Bayelsa State Capital City Development Authority, and the drawings are used to calculate the applicable fees. 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 Bayelsa State Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Bayelsa State 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 State Capital City Development Authority for final review and approval. Although there is no official fee, a transport fee of around NGN 5,000 may be charged before the inspection.

Procedure 5. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 407,180 (NGN 15,000 inspection fee + NGN 2,000 commercial registration fee + NGN 390,180 approval fee [NGN 100 per cubic meter of the building])

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 State Capital City Development Authority.

Procedure 6. Obtain a building plan approval from Bayelsa State 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 State Capital City Development Authority. 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 Bayelsa State Capital City Development Authority gives BuildCo two 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 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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 9. Receive an inspection during construction from the Bayelsa State Capital City Development Authority

Time: 1 day

Cost: No cost

Comments: Inspections in Yenagoa do not follow any particular order. During construction, a team of inspectors from the Bayelsa State 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, two inspections occur.

Procedure 10. Receive an inspection during construction from the Bayelsa State 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.

DEALING WITH CONSTRUCTION PERMITS

Benue, Makurdi

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report from a registered town planner

Time: 7 days

Cost: NGN 60,000

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 building permit at the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit an application form to the Urban Development Board, along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- Three-year tax clearance certificate;
- Receipt of payment of fees;
- The Environmental Impact Assessment Report.

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 3. Pay the building plan approval fees at a designated bank

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: 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 Benue Urban Development Board. The Authority then schedules an on-site inspection.

* This procedure can be completed simultaneously with previous procedures.

Procedure 4. 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 Site Analysis 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. Although there is no official fee, a transport fee of around NGN 25,000 may be charged before the inspection.

Procedure 5. 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 6. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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. Receive an inspection at setting out level from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Benue 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. The inspectors must ensure the compliance with the standard code of practice. Construction work does not stop during the inspection.

Procedure 9. Receive an inspection at foundation level by the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Benue 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. The inspectors must ensure the compliance with the standard code of practice. Construction work does not stop during the inspection.

Procedure 10. Receive an inspection at first floor level from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the first floor is complete, BuildCo's architect must notify the Benue 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. The inspectors must ensure the compliance with the standard code of practice. Construction work does not stop during the inspection.

Procedure 11. Receive an inspection at second floor level from the Benue Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the second floor is complete, BuildCo's architect must notify the Benue 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. The inspectors must ensure the compliance with the standard code of practice. Construction work does not stop during the inspection.

Procedure 12. 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 13. 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 14*. 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.

DEALING WITH CONSTRUCTION PERMITS

Cross River, Calabar

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Three sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules) duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.) duly signed by a registered structural engineer;

* This procedure can be completed simultaneously with previous procedures.

- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures) duly signed by an electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings) duly signed by a mechanical engineer;
- d. Environmental Impact Statement;
- e. Three-year tax clearance certificate duly signed by a registered town planner;
- 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. Pay the building plan approval fees on-line

Time: 0.5 day

Cost: NGN 120,000 (NGN 100,000 ground floor + NGN 20,000 additional floor)

Comments: BuildCo is given a payment order to be submitted to and paid at a designated. Since December 2013, BuildCo can also pay online through the website: <http://www.crgia.crossrivers-tate.gov.ng/>.

Procedure 4. 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. Although there is no official fee, a transport fee of around NGN 5,000 may be charged before the inspection.

Procedure 5. Obtain a building plan approval from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 30 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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 7. Receive an inspection at setting out level from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Town Planning Department of the Cross River Ministry of Lands and Housing at least 2 days before starting the works. 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. The inspectors must ensure the compliance with the standard code of practice. Construction work does not stop during the inspection.

Procedure 8. 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: 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, one inspection occurs during construction, plus one at the setting out level and a final inspection.

Procedure 9. Request and receive a final inspection from the Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: BuildCo notifies the Town Planning Department of the Cross River Ministry of Lands and Housing 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 Town Planning Department of the Cross River Ministry of Lands and Housing

Time: 1 day

Cost: No cost

Comments: After the final inspection, BuildCo obtains from the Cross River Ministry of Lands and Housing a Certificate of Completion. This certificate proves that the construction meets all specifications and qualifications for habitation.

Procedure 11*. 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 12*. Apply for water connection to the Cross River State Water Board

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 NGN 2,500 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 Board

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 Board

Time: 5 days

Cost: No cost

Comments: Connection is completed within 5 days.

DEALING WITH CONSTRUCTION PERMITS

Delta, Warri

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain a Fire Safety Report from the Fire Service Department

Time: 8 days

Cost: NGN 25,000

* This procedure can be completed simultaneously with previous procedures.

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 an Environmental Impact Assessment Report from the Ministry of Environment

Time: 5 days

Cost: NGN 5,000

Comments: BuildCo has the choice of asking to the Ministry of Environment or to a private environmental specialist to prepare 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. The Ministry of Environment charges 5,000 to prepare the EIA.

Procedure 3*. 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. BuildCo has the choice between hiring a professional from the Town Planning Office or hire a private professional.

Procedure 4. Apply for a building plan approval at the Delta State One Stop Shop for Investors (DSOSSI)

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 Delta State One Stop Shop for Investors (DSOSSI), along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- Site Analysis Report;
- Three-year tax clearance certificate;

f. Fire Safety Report;

g. Certificate of structural stability signed by a registered engineer.

DSOSSI forwards the application to the Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development. 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. The Building Plan Regulation of 2013 enforced the use of building permits by introducing demolition or fines up to NGN 200,000 for illegal buildings.

Procedure 5. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 123,225 (NGN 120,700 permit fee + NGN 2,500 registration 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 DSOSSI. The Office then schedules an on-site inspection.

Procedure 6. Receive a pre-approval inspection from the Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development

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 7. Obtain a building plan approval from the Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development

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, the receipt issued by the bank and the remaining three copies of the plan - are given to the town planner for final approval. 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 8. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 9*. 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 10*. Pay 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 11. Receive an inspection during construction from the Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development

Time: 1 day

Cost: No cost

Comments: Inspections in Warri do not follow any particular order. During construction, a team of inspectors from the Ministry of Lands, Surveys and Urban Development 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 Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 13. Receive a final inspection from the Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development

Time: 1 day

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

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.

Procedure 14. Obtain a Certificate of Fitness for Habitation from the Town Planning Office of the Delta State Ministry of Lands, Surveys and Urban Development

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 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.

DEALING WITH CONSTRUCTION PERMITS

Ebonyi, Abakaliki

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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 gives four copies to BuildCo.

Procedure 2. Apply for a building plan approval at the Abakaliki Capital Territory Development Board

Time: 1 day

Cost: No cost

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, and doors and windows schedules), signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), signed by a registered mechanical engineer;
- 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. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 71,294 (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 5,000 setting out fee + NGN 7,500 fencing fee + NGN 5,500 building Certificate of Completion 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 Abakaliki Capital Territory Development Board. The Office then schedules an on-site inspection.

Procedure 4. 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 for final review and approval.

Procedure 5. 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 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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 8. 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 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 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 specifica-

* This procedure can be completed simultaneously with previous procedures.

tions 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 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 11. 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 12. 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 13. 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 14. 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 15. 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 16. 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 17. 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 18. 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 19. 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 20. 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 21. 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 22*. 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.

DEALING WITH CONSTRUCTION PERMITS

Edo, Benin City

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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 Physical Planning and Development Control

Time: 1 day

Cost: No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Physical Planning and Development Control, 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, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- d. Environmental Impact Assessment Report;
- e. Site Analysis Report;
- f. Three-year tax clearance certificate;
- g. Fire Safety Report;
- h. A letter of undertaking from the structural engineer.

The documents are reviewed by officers of the Physical Planning and Development Control. 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 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 Physical Planning and Development Control. The Office then schedules an on-site inspection.

Procedure 5. Receive a pre-approval inspection from the Physical Planning and Development Control

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Physical Planning and Development Control 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 Physical Planning and Development Control for final review and approval.

Procedure 6. Obtain a building permit from the Physical Planning and Development Control

Time: 30 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Physical Planning and Development Control examines the documents submitted and issues BuildCo a building permit. The approval is valid for 24 months, after which a revalidation is required.

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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

* This procedure can be completed simultaneously with previous procedures.

Procedure 9*. Pay 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 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 10. Receive an inspection during construction from the Physical Planning and Development Control**Time:** 1 day**Cost:** No cost

Comments: Inspections in Benin City do not follow any particular order. During construction, a team of inspectors from the Physical Planning and Development Control 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 11. Receive an inspection during construction from the Physical Planning and Development Control**Time:** 1 day**Cost:** No cost**Comments:** Same as above.**Procedure 12. Receive an inspection during construction from the Physical Planning and Development Control****Time:** 1 day**Cost:** No cost**Comments:** Same as above.**Procedure 13. Request and receive a final inspection from the Physical Planning and Development Control****Time:** 1 day**Cost:** No cost

Comments: After construction is complete, BuildCo applies to the Physical Planning and Development Control for a Certificate of Completion. A final inspection ensues, during which the Physical Planning and Development Control ensures that BuildCo's warehouse abide by the details provided in the drawings and by the safety/construction standards described in the law.

Procedure 14. Obtain a Certificate of Completion from the Physical Planning and Development Control**Time:** 7 days**Cost:** No cost

Comments: After the final inspection, the Physical Planning and Development Control 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.

DEALING WITH CONSTRUCTION PERMITS

Ekiti, Ado-Ekiti*Warehouse value: NGN 74,890,495 (US\$ 481,497)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Obtain a land use clearance from the Planning Permit Agency****Time:** 2 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 Planning Permit Agency:

- Survey plan;
- Preliminary drawings;
- Receipt of the sale of the land or Certificate of Occupancy (as proof of ownership);
- Three-year tax clearance certificate.

Procedure 2. Obtain an Environmental Impact Assessment Report from a registered town planner**Time:** 7 days**Cost:** NGN 85,000 (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 3. Apply for a building permit at the Planning Permit Agency**Time:** 1 day**Cost:** No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Planning Permit Agency of the Ministry of Housing, Physical Planning and Urban Development, along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules) duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.) duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures) duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings) duly signed by a registered mechanical engineer;
- Environmental Impact Assessment Report;
- Land use clearance.

The documents are reviewed by officers at the Planning Permit Agency of the Ministry of Housing, Physical Planning and Urban Development, 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 188,072 (NGN 156,072 assessment of commercial development [NGN 40 per cubic meter of the warehouse] + NGN 12,000 fencing fee [NGN 100 per perimeter of the plot of land] + NGN 20,000 registration of the Environmental Impact Assessment Report)

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 Planning Permit Agency of the Ministry of Housing, Physical Planning and Urban Development.

Procedure 5. Receive a pre-approval inspection from the Planning Permit Agency**Time:** 1 day**Cost:** No cost

Comments: After BuildCo's application has been reviewed, the Planning Permit Agency 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 Planning Permit Agency for final review and approval.

Procedure 6. Obtain a building permit from the Planning Permit Agency

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Planning Permit Agency 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 Planning Permit Agency 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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 9. Receive an inspection at setting out level by the Planning Permit Agency

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Planning Permit Agency 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 damp-proof course stage from the Planning Permit Agency

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the flooring stage, BuildCo's architect must notify the Planning Permit Agency 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. Receive an inspection at roof level from the Planning Permit Agency

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the roofing stage, BuildCo's architect must notify the Planning Permit Agency 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 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.

DEALING WITH CONSTRUCTION PERMITS

Enugu, Enugu

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Apply for a building approval at the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: In order to obtain a building approval, BuildCo must submit a duly completed application form to the Enugu Capital Territory Development Authority, along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- Site Analysis Report;

- Three-year tax clearance certificate;
- Local Government Area Capitation Rate.

The documents are reviewed by officers of the Enugu Capital Territory Development 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 2. Pay the building permit fees at a designated bank

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: 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 Enugu Capital Territory Development Authority.

Procedure 3. Receive a pre-approval inspection from the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Enugu Capital Territory 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 Enugu Town Planning Authority for final review and approval.

Procedure 4. Obtain a building approval from the Enugu Capital Territory Development Authority

Time: 10 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 Capital Territory Development Authority. After review, BuildCo's application is recommended to the Chairman of the Enugu Capital Territory Development 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

* This procedure can be completed simultaneously with previous procedures.

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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 7*. Pay 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 8. Receive an inspection at setting out level from the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Enugu Capital Territory Development 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 foundation level from the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Enugu Capital Territory Development 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 10. Receive an inspection at first floor level from the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the first floor, BuildCo's architect must notify the Enugu Capital Territory 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. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.

Procedure 11. Receive an inspection at second floor level from the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the second floor, BuildCo's architect must notify the Enugu Capital Territory 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. If a problem is identified, the inspection teams issues a stop order requesting the issue to be resolved before construction proceeds further.

Procedure 12. Request and receive a final inspection from the Enugu Capital Territory Development Authority

Time: 1 day

Cost: No cost

Comments: When the construction is complete, BuildCo must apply to the Enugu Capital Territory Development Authority for a Certificate of Completion and fitness for habitation for habitation. A final inspection follows, during which the Enugu Capital Territory Development Authority ensures that BuildCo's warehouse abides by the details provided in the drawings and conforms to the safety/construction standards described in the law.

Procedure 13. Obtain a Certificate of Completion from the Enugu Capital Territory Development Authority

Time: 7 days

Cost: No cost

Comments: After the final inspection, the Enugu Capital Territory Development 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 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.

DEALING WITH CONSTRUCTION PERMITS

FCT, Abuja

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain Soil Investigation Report

Time: 14 days

Cost: NGN 100,000

Comments: A Soil Investigation Report is prepared by an expert to test the stability of the foundation.

Procedure 2. 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 3. Apply for a construction permit at the Abuja Development Control Department

Time: 1 day

Cost: NGN 10,000 (application fee and Development Control Manual)

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules);
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.);

* This procedure can be completed simultaneously with previous procedures.

- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and 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 4. 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 5. Pay the construction permit fees at a designated bank

Time: 1 day

Cost: NGN 1,365,630 (NGN 350 per cubic meter of the warehouse)

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 6. 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 7. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 8*. Pay 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, and 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 9. Receive an inspection at setting out level from the Abuja Development Control Department

Time: 2 days

Cost: NGN 30,000 (inspection fee for new development)

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 Department of Survey of the Federal Capital Development Authority to put the beacons on the construction-site, it is BuildCo which, in practice, takes care of it.

Procedure 10. Receive an inspection at first floor level from the Abuja Development Control Department

Time: 1 day

Cost: NGN 30,000 (fee for stages inspection)

Comments: Once the construction reaches the first floor, an inspector from the Abuja Development Control Department ensures 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. Receive an inspection at second floor level from the Abuja Development Control Department

Time: 1 day

Cost: NGN 30,000 (fee for stages inspection)

Comments: Once the construction reaches the second floor, an inspector from the Abuja Development Control Department ensures 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 12. Obtain a Certificate of Fitness for Habitation from the Abuja Development Control Department

Time: 7 days

Cost: NGN 100,000

Comments: By law, BuildCo must apply to the Abuja Development Control Department for a Certificate of Fitness for Habitation, which would be issued after a final inspection of the site. In practice, however, this procedure is neither adhered to nor enforced.

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 for water connection to the Federal Capital Territory (FCT) Water Board

Time: 1 day

Cost: NGN 48,000

Comments: The FCT Water Board covers most of the city and only warehouses located in remote parts of Abuja would require a borehole. The developer is merely required to visit the water corporation office, fill the form and pay the fees.

Procedure 15. 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 16. Obtain a permanent water connection from the FCT Water Board

Time: 3 days

Cost: No cost

Comments: Connection to water supply is completed within 3 days.

* This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

Gombe, Gombe

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain Soil Investigation Report

Time: 14 days

Cost: NGN 100,000

Comments: A Soil Investigation Report is prepared by an expert to test the stability of the foundation.

Procedure 2. Obtain an Environmental Impact Assessment Report from the Federal Ministry of Environment (Gombe Office) or from a registered town planner

Time: 10 days

Cost: NGN 50,000

Comments: BuildCo applies to the Federal Ministry of Environment (Gombe Office) 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 Federal Ministry of Environment 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. BuildCo has also the option of hiring or a private registered professional to prepare the EIA.

Procedure 3. Obtain a Fire Safety Report from the Fire Service Directorate of the Ministry of Works and Infrastructure

Time: 7 days

Cost: No cost

Comments: BuildCo submits the preliminary drawings to the Fire Service Directorate for examination. Based on its assessment of the drawings, the Fire Service Directorate 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. Obtain a Site Analysis Report from a registered town planner

Time: 5 days

Cost: NGN 50,000

Comments: BuildCo hires a registered town planner to 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 town planner typically carries out an inspection of the site, drafts the report, and gives three copies to BuildCo.

Procedure 5. Apply for a building plan approval at the Urban Planning and Development Board of the Ministry of Works and Infrastructure

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 Urban Planning and Development Board of the Ministry of Works and Infrastructure, 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, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- d. Soil Investigation Report;
- e. Environmental Impact Assessment Report;
- f. Site Analysis Report.

The documents are reviewed by the Urban Planning and Development Board. An on-site inspection will follow.

Procedure 6. Receive a pre-approval inspection from the Urban Planning and Development Board of the Ministry of Works and Infrastructure

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, inspectors from the Urban Planning and Development Board - 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 Urban Planning and Development Board for final review and approval.

Procedure 7. Obtain a building plan approval from the Urban Planning and Development Board of the Ministry of Works and Infrastructure

Time: 30 days

Cost: NGN 106,835

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 Urban Planning and Development Board of the Ministry of Works and Infrastructure.

Procedure 8. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 9*. 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 10. Receive an inspection during construction from the Urban Planning and Development Board of the Ministry of Works and Infrastructure

Time: 1 day

Cost: No cost

Comments: Inspections in Gombe do not follow any particular order. During construction, a team of inspectors from the Urban Planning and 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. The Urban Planning and Development Board of the Ministry of Works and Infrastructure performs average one inspection at the substructure level and one at the superstructure level.

Procedure 11. Receive an inspection during construction from the Urban Planning and Development Board of the Ministry of Works and Infrastructure

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 12. Receive a final inspection from the Urban Planning and Development Board of the Ministry of Works and Infrastructure

Time: 1 day

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: BuildCo notifies the Urban Planning and Development Board of the Ministry of Works and Infrastructure that the construction is completed. A final inspection ensues, during which the Urban Planning and 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 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.

DEALING WITH CONSTRUCTION PERMITS

Imo, Owerri

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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 125,000 (NGN 20,000 registration for fencing + NGN 100,000 fencing permit + NGN 5,000 for the 'City Guide')

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 403,072 (NGN 20,000 registration + NGN 156,072 inspection [NGN 40 per cubic meter] + NGN 16,000 survey service fee + NGN 10,000 charting fee + NGN 16,000 building plan preparation fee + NGN 75,000 Certificate of Fitness for Habitation fee + NGN 110,000 approval 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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- Environmental Impact Assessment Report;
- Three-year tax clearance certificate;
- 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. Although there are no official charges for the inspection, BuildCo could be asked to pay an unofficial fee to the inspectors of around NGN 50,000.

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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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*. Pay 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 9. 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

* This procedure can be completed simultaneously with previous procedures.

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 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 11. 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. In this phase, the structural engineer may demand to test concrete cubes (extracted from the mixed concrete) used in the work to ascertain the crushing strength.

Procedure 12. 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. In this phase, the structural engineer may demand to test

concrete cubes (extracted from the mixed concrete) used in the work to ascertain the crushing strength.

Procedure 13. 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 14. 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 15. 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. In practice, however, this procedure is neither adhered to nor enforced.

Procedure 16*. 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.

DEALING WITH CONSTRUCTION PERMITS

Jigawa, Dutse

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Apply for a building permit at the Dutse Capital Development Authority

Time: 1 day

Cost: NGN 5,000 (application fee)

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Dutse Capital Development Authority along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- 3 sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- Receipt of payment of fees.

The documents are reviewed by 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.

Procedure 2. Pay the building permit fees at a designated bank

Time: 1 day

Cost: NGN 50,000

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 Dutse Capital Development Authority. The Office then schedules an on-site inspection.

Procedure 3. Receive a pre-approval inspection from the Dutse Capital Development Authority

Time: 2 days

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: After BuildCo's application has been reviewed, the Dutse Capital 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.

Procedure 4. Obtain a building permit at the Dutse Capital Development Authority

Time: 9 days

Cost: No cost

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.

Procedure 5. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 6*. 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 7. Receive an inspection at setting out level from the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the setting out is complete, BuildCo's architect must notify the Dutse 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 8. Receive an inspection at foundation level from the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Dutse 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. 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 a Report of Completion to the officer of the development authority in charge of the project.

Procedure 10. Receive a final inspection from the Dutse Capital Development Authority

Time: 1 day

Cost: No cost

Comments: After the report of completion has been submitted, a final inspection ensues, during which the Dutse 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 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.

DEALING WITH CONSTRUCTION PERMITS

Kaduna, Kaduna

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from a registered town planner

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. BuildCo must hire a registered town planner to prepare the report, which is then submitted to the Kaduna Environmental Protection Authority (KEPA) for approval.

Procedure 2. Apply for a planning permission at the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

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 (KASUPDA), along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
 - Survey plan (attached to the Certificate of Occupancy);
 - Three sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
 - KEPA approval certificate of the Environmental Impact Assessment Report;
 - Site Analysis Report;
 - Current tax clearance;
 - Letter of undertaking of the supervising engineer;
 - Receipt of payment of fees;
- The documents are reviewed by architectural, engineering and planning departments of the KASUPDA. 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

* This procedure can be completed simultaneously with previous procedures.

on-site. BuildCo may need to present the stamped copies of its building plans when inspections occur during construction.

Procedure 3. Pay the building permit fees at a designated bank

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: 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 KASUPDA. The Office then schedules an on-site inspection.

Procedure 4. 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 5. 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 6. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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. Receive an inspection during construction from the Kaduna State Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: 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 9. 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 10. 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 11. 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 12. 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 13. Pay the Fire Report fees and obtain the Fire Report from the Fire Service Department

Time: 7 days

Cost: NGN 16,000

Comments: After the fire inspection, BuildCo pays the fire department and obtains its Fire Report. In recent years, the fire service has advertised the importance of this procedure and encouraged compliance.

Procedure 14*. 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.

DEALING WITH CONSTRUCTION PERMITS

Kano, Kano

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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 (KNUPDA), along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer.

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

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 117,054 (NGN 30 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 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: 2 days

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 KNUPDA 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, KNUPDA 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. Notify the Kano Urban Planning and Development Authority of commencement of work

Time: 7 days

Cost: No cost

Comments: A letter notifying the KNUPDA of the commencement of work must be sent one week prior to any construction work.

Procedure 6. Receive an inspection at setting out level by the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: BuildCo sends a letter to KNUPDA announcing that the construction works will start at least one week in advance. KNUPDA sends a team of inspectors to check the construction-site at the setting-out level. 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 7. Receive an inspection at foundation level by the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: A team of inspectors from KNUPDA 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 first floor level by the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: A team of inspectors from KNUPDA 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 second floor level by the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: A team of inspectors from KNUPDA 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 10. Receive an inspection at roof level by the Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Comments: A team of inspectors from KNUPDA 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 11. Notify the Kano Urban Planning and Development Authority of completion of works

Time: 1 day

Cost: No cost

Comments: A letter notifying the KNUPDA of the completion of work is sent. The inspectors will then proceed with a final inspection to verify that the work has been completed according to the approved building plans.

Procedure 12. Obtain final inspection from Kano Urban Planning and Development Authority

Time: 1 day

Cost: No cost

Procedure 13. Obtain a Certificate of Habitation from the Kano Urban Planning and Development Authority

Time: 7 days

Cost: No cost

Comments: BuildCo's supervising architect/engineer fills out and sends to KNUPDA a Building Certification Form stating that the construction works have been completed according to the approved plan. In 3 days from the receipt of the Building Certification Form, at no cost, KNUPDA releases a Certificate of Habitation. In practice, however, this procedure is neither adhered to nor enforced.

Procedure 14. Obtain inspection from the Board of Internal Revenue for registration of building

Time: 1 day

Cost: No cost

Comments: The Board of Internal Revenue service will visit the new warehouse and register it for tax purposes.

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 for water connection at the Kano State Water Board and pay the application form fee

Time: 1 day

Cost: NGN 15,000

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 17. Receive an inspection by the Kano State Water Board

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 250,000 (NGN 20,000 + NGN 30,000 cost of materials + NGN 200,000 septic tank)

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 18. Obtain water connection

Time: 30 days

Cost: No cost

Comments: Usually, the building is connected to water supply within a month.

DEALING WITH CONSTRUCTION PERMITS

Katsina, Katsina

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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.

Procedure 2. Apply for a building permit at the Katsina State Urban and Regional Planning Board

Time: 1 day

Cost: NGN 50,000

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Katsina State Urban and Regional Planning Board (URPB), along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);

- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);

- Environmental Impact Assessment Report;
- Three-year tax clearance certificate;
- Receipt of payment of the fees.

The documents are reviewed by officers at URPB, 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 during construction.

Procedure 3. Receive a pre-approval inspection from the Katsina State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Katsina 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 Katsina State Urban and Regional Planning Board for final review and approval.

Procedure 4. Obtain a building permit from the Katsina State Urban and Regional Planning Board

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Katsina State Urban and Regional Planning Board examines the documents submitted and issues BuildCo a building permit. If URPB 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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 6*. 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 7*. Receive an inspection at the sub-structure level by the development control inspectors of Katsina State Urban and Regional Planning Board

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 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 8. Receive an inspection during construction from the Katsina State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: Inspections in Katsina do not follow any particular order. During construction, after the sub-structure inspection a team of inspectors from the Katsina State 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. 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 9. Receive an inspection during construction from the Katsina State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Receive an inspection during construction from the Katsina State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 11. Receive an inspection during construction from the Katsina State Urban and Regional Planning Board

Time: 1 day

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: Same as above.

Procedure 12. 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 department, which comes for an inspection. Officers from the Katsina Fire Department conduct an on-site inspection to make sure that the building abides by fire safety standards.

Procedure 13. 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 department issues BuildCo a fire certificate.

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.

DEALING WITH CONSTRUCTION PERMITS

Kebbi, Birnin Kebbi

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from an environmental consultant of the Kebbi State Environmental Protection Agency

Time: 21 days

Cost: NGN 70,000 (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. The same professional 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 environmental consultant drafts the EIA report and SAR, and gives 2 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: 7 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 planning approval at the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- 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 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 100,000 (planning 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 Kebbi Urban Development Authority (KUDA).

Procedure 5. 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 6. 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 7. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 8*. 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 9. 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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 10. Receive an inspection at foundation level from the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: Once the foundation 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.

Procedure 11. Receive an inspection at first floor level from the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: Once the first floor 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.

Procedure 12. Request and receive a final inspection from the Kebbi Urban Development Authority

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo notifies the Kebbi Urban Planning Authority. A final inspection ensues.

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.

DEALING WITH CONSTRUCTION PERMITS

Kogi, Lokoja

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from a registered town planner

Time: 10 days

Cost: NGN 200,000 (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.

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- Environmental Impact Assessment Report;
- Site Analysis Report;
- Three-year tax clearance certificate;
- A "Letter of Attestation".

Additionally, a "Letter of Attestation" is required since January 2011. The purpose of the letter is to have a responsible for the project and for any structural failure. The intent of the letter is to ensure that the applicant/developer engages a professional builder. The letter must include the following information: (i) the name of the professional supervising the project; (ii) his/her professional qualification (builders must be member of CORBON - Council of Registered Builders of Nigeria, and engineers of COREN - Council of Registered Engineers of Nigeria); (iii) the photocopy of the professional's Certificate of

Qualification from either CORBON or COREN; (iv) a residential address; (v) an active, functional telephone number.

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 281,943 (NGN 146,250 approval fee + NGN 87,791 processing fee [60% of approval fee] + NGN 2,000 application fee + NGN 2,000 inspection fee + 43,895 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: 2 days

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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

* This procedure can be completed simultaneously with previous procedures.

Procedure 7*. 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 8. 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 9. 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 10. Request and receive a final inspection from the Kogi State Town Planning and Development Board**Time:** 1 day**Cost:** No cost

Comments: After construction is complete, BuildCo notifies the Kogi State Town Planning and Development Board. A final inspection ensues. During the final inspection, the Kogi State Town Planning and 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 Fitness for Habitation from the Kogi State Town Planning and Development Board**Time:** 1 day**Cost:** NGN 14,632 (10% of approval fee)

Comments: After the final inspection, the Kogi State Town Planning and 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.

DEALING WITH CONSTRUCTION PERMITS

Kwara, Ilorin

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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. Four sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- d. Letter of Undertaking from the supervising engineer/architect.

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 422,090 (NGN 25,000 application fee + NGN 2,000 inspection fee + 195,090 assessment fee for the first floor + 200,000 assessment fee for the second floor)

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. Set up a septic tank**Time:** 14 days**Cost:** NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 7. Receive an inspection during construction from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: 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 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 Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. 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 11. Request and receive a final inspection from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo notifies the Kwara Town Planning Authority. A final inspection ensues. During the final inspection, the Kwara Town Planning 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 12. Obtain a Certificate of Completion from the Kwara Town Planning Authority

Time: 1 day

Cost: No cost

Comments: After the final inspection, the Kwara 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 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.

DEALING WITH CONSTRUCTION PERMITS

Lagos, Lagos

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain Soil Investigation Report

Time: 14 days

Cost: NGN 100,000

Comments: BuildCo must obtain a Soil Investigation Report about the stability of the foundation from a private professional.

Procedure 2*. Obtain sworn affidavit for search at the Commissioner for Oaths

Time: 1 day

Cost: NGN 250

Comments: Before carrying out a search at the Land Registry, BuildCo must swear an affidavit and file it at the High Court.

Procedure 3*. Obtain an Environmental Technical Analysis Report

Time: 7 days

Cost: NGN 150,000

Comments: The Ministry of Environment reviews and approves the Environmental Technical Analysis Report. This report is needed to check the impact of the project on the environment.

Procedure 4*. Obtain a Certified True Copy (CTC) of the survey plan and CTC of the Land ownership title

Time: 3 days

Cost: NGN 7,500

Comments: BuildCo must obtain a Certified True Copy of the survey plan from the Land Registry to show the plot of land and its coordinates. BuildCo must also obtain a proof of ownership, without which the permit application is not accepted. BuildCo presents the sworn affidavit obtained in procedure 2 to obtain these two documents.

In case the land has not been previously surveyed, BuildCo must hire a private professional to survey it. This survey will need to be registered with the Surveyor's General Office and verified against the master plan of Lagos. A black copy of the survey is for BuildCo, a red copy is registered with the Land Registry, and a third copy is kept at the Surveyor General Office. The cost to obtain a survey by a private surveyor ranges from NGN 50, 000 to NGN 100,000.

Procedure 5. Obtain a development permit from the State Physical Planning Permit Authority (LASPPPA)

Time: 42 days

Cost: NGN 7,100,657 (NGN 468,216 assessment fees [NGN 120 per volume of the building] + NGN 46,822 Local Planning Office Levy [10% of assessment fees] + NGN 5,619 Spatial Enhancement Contribution [12% of the Local Planning Office Levy] + NGN 5,000 application form + NGN 60,000 Certificate of Fitness for Habitation + NGN 12,000 fencing fee + NGN 6,503,000 Infrastructure Development Charge (IDC) [NGN 5,000 per square meters of the building])

Comments: The development permit authorizes construction and is valid for 2 years. To obtain this permit, BuildCo must present a building development plan portraying the intended uses, the proposed development and the effect on adjacent developments and neighborhood.

The law requires a pre-approval inspection to verify that the land is located where the owner has stated it is and to verify that construction works have not already started. BuildCo does not have to be present during the visit. Following the inspection, an assessment of the amount of fees to be paid is prepared.

For construction involving a structure of more than two floors, BuildCo must submit a general contractors all-risk insurance policy certificate to the Building Control Agency along with the application to commence building work.

The Lagos State Physical Planning Authority 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.

BuildCo must submit the following documents:

- Proof of ownership;
- Survey Plan - on Sun Print paper;
- 5 sets of architectural drawings;
- 5 sets of structural drawings (calculation sheets and supervision letter from a registered engineer);
- 5 sets of mechanical and electrical drawings;
- 5 sets of sanitary and plumbing drawings;
- Current Income tax Clearance Certificate (CIT);
- Photocopy of payment of assessment fee;
- Certificate of incorporation of the company;
- Environmental Technical Analysis Report.

Procedure 6. Hire a private engineer to do inspections

Time: 1 day

Cost: NGN 344,514

Comments: BuildCo hires a private engineer to inspect the site during the construction phase.

* This procedure can be completed simultaneously with previous procedures.

Procedure 7. Obtain certificate of structural stability (first pouring of concrete)**Time:** 7 days**Cost:** NGN 35,000**Comments:** The concrete crushing test is done as follows:

- A sample from a block of concrete is taken and brought back to the laboratory for testing. At this stage BuildCo pays for the entire testing. The testing is done at several stages;
- 7 days after the sample was taken, the first result is obtained;
- 14 days after the sample was taken, the second result is obtained (i.e. 7 days after the first result);
- 21 days after the sample was taken, the third result is obtained (i.e. 7 days after the second result);
- 28 days later the last result is obtained, as well as the final report.

Procedure 8. Obtain certificate of structural stability (second pouring of concrete)**Time:** 7 days**Cost:** No cost**Procedure 9. Obtain certificate of structural stability (third pouring of concrete)****Time:** 7 days**Cost:** No cost**Procedure 10. Obtain certificate of structural stability of foundation****Time:** 7 days**Cost:** No cost**Procedure 11. Receive joint inspection during construction from Building Control Agency and the Zonal Agency****Time:** 1 day**Cost:** No cost**Procedure 12. Receive inspections during construction from the Building Control Agency****Time:** 1 day**Cost:** No cost**Comments:** From July 2010, the Lagos State Urban and Regional Planning and Development Law gives to the Building Control Agency the power to carry out inspection(s) of building construction, when necessary.**Procedure 13. Request and receive inspection by Fire Department****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 14. Obtain Certificate of Completion and Fitness for Habitation****Time:** 14 days**Cost:** No cost**Comments:** BuildCo must obtain a Certificate of Completion and fitness for habitation from the local planning authority before using the building. It is within the discretion of the authority to conduct an on-site inspection before issuing the certificate. In practice this inspection is rarely performed.**Procedure 15*. Obtain fixed phone line****Time:** 5 days**Cost:** NGN 7,500**Comments:** The phone line can be connected at any time before and during the construction.**Procedure 16*. Submit an application for water connection to Lagos Water Company****Time:** 1 day**Cost:** No cost**Comments:** BuildCo collects a Water Connection Form ("WCF") from the nearest Zonal Office. There are 31 zones in Lagos. The completed WCF is submitted to the Zonal Office, which sends a site inspection officer (SIO) on site. The SIO confirms the address and the location of BuildCo's property. The SIO also establishes the optimal size and length of connection pipes and the connection materials to be used. At completion of the inspection, the SIO prepares a comprehensive Site Report, including estimates of total connection costs, and submits it to the Zonal Office. The Zonal Office prepares the connection bill for BuildCo.**Procedure 17. Pay the connection bill and submits evidence of payment to Zonal Office****Time:** 1 day**Cost:** NGN 50,000**Procedure 18. Zonal Office (ZO) procures connection materials and carries out the water connection****Time:** 13 days**Cost:** No cost

DEALING WITH CONSTRUCTION PERMITS

Nasarawa, Lafia*Warehouse value: NGN 74,890,495 (US\$ 481,497)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- Environmental Impact Assessment Report;
- Site Analysis Report;
- 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

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 249,000 (NGN 195,000 [97,500 for each floor] + NGN 50,000 development levy + NGN 4,000 inspection 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 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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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. Receive an inspection at setting out from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Nasarawa State Urban Development Board 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.

Procedure 9. Receive an inspection at foundation level from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the foundation stage, BuildCo's architect must notify the Nasarawa State Urban Development Board 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.

Procedure 10. Receive an inspection at reinforcement and casting of lintels stage from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the reinforcement and casting of lintels stage, BuildCo's architect must notify the Nasarawa State Urban Development Board 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.

Procedure 11. Receive an inspection at roof level from the Nasarawa State Urban Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the roof stage, BuildCo's architect must notify the Nasarawa State Urban Development Board 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.

Procedure 12. 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 13. 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 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.

DEALING WITH CONSTRUCTION PERMITS

Niger, Minna

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from a registered town planner

Time: 5 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. 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

* This procedure can be completed simultaneously with previous procedures.

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- Environmental Impact Assessment Report;
- 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, three 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 305,000 (NGN 5,000 registration fee + NGN 40,000 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. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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. The Rural Water and Sanitation Agency (RUWATSAN) is the only government agency responsible for digging boreholes in Niger State. However, the agency is not always available because of the volume of requests. The alternative is to engage private commercial companies to dig/sink the borehole.

Procedure 7. Receive an inspection during construction from the Niger State Urban Development Board

Time: 1 day

Cost: No cost

Comments: 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 8. 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 9. Obtain a Certificate of Completion 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 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 ope-

rators available in the country (MTN, ZAIN, GLO or ETISALAT). The phone line can be connected at any time before and during the construction.

DEALING WITH CONSTRUCTION PERMITS

Ogun, Abeokuta

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report from a registered town planner

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. After the inspection, the town planner drafts the EIA report, and gives 3 copies to BuildCo, and retains one copy for himself.

Procedure 2. 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 for Oaths, in order to attest the authenticity of its ownership of the property in question.

Procedure 3. Apply for a development permit at the Urban and Physical Planning Board

Time: 1 day

Cost: NGN 247,658 (NGN 400 application fee + NGN 214,599 assessment fee [NGN 55 per cubic meter] + NGN 5,500 registration fee + NGN 4,645 fencing fee [NGN 5 per square meter] + NGN 22,514 administrative charge [10% of previous fees])

Comments: In order to obtain a development permit, BuildCo must submit a duly completed application form to the Urban and Physical Planning Board, along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;

* This procedure can be completed simultaneously with previous procedures.

- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;

- Environmental Impact Assessment Report;
- Three-year tax clearance certificate;
- Evidence of payment of the development levy.

The documents are collected by the registry of the Urban and Physical Planning Board. BuildCo is given a payment order to be submitted to and paid at the "Point of Payment" inside the Urban and Physical Planning Board. After payment, BuildCo is given a teller credit - or bank receipt - to be submitted back to the Urban and Physical Planning Board. Town planners, architects, surveyors and engineers from the Urban and Physical Planning Board review the application. An inspection will follow. Once the building approval has been granted, three copies of the drawing are given back to BuildCo to be kept on-site.

Procedure 4. 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 5. Obtain a development permit from the Urban and Physical Planning Board

Time: 7 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 6. 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 7*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 8. Pay 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 9*. 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 10. Receive an inspection during construction from the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: 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.

Procedure 11. Receive an inspection during construction from the Urban and Physical Planning Board

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 12. 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 13. Obtain a Certificate of Completion from the Urban and Physical Planning Board

Time: 1 day

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 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.

DEALING WITH CONSTRUCTION PERMITS

Ondo, Akure

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Analysis Report and a Site Analysis 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 Analysis (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

* This procedure can be completed simultaneously with previous procedures.

on-site inspection. If deemed necessary, he may conduct interviews with relevant stakeholders living in the area.

Procedure 2. Apply for a preliminary approval of the building plan at the Town Planning Office of the Ministry of Housing 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:

- Application form;
- Preliminary drawings or sketches of the building prepared by an architect;
- Copy of the Certificate of Occupancy with the attached Survey Plan;
- Development permit receipt;
- Three-year tax clearance certificate;
- Site Analysis Report prepared by a registered Town Planner.

Although there are no official charges for the inspection, BuildCo could be asked to pay an unofficial fee to the inspectors of around NGN 10,000.

Procedure 3. Receive a preliminary inspection by the Town Planning Office of the Ministry of Housing 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 4. Obtain a preliminary approval of the building plan from the Town Planning Office of the Ministry of Housing 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 5. Apply for a development permit at the Town Planning Office of the Ministry of Housing 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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Six sets of drawings, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules) duly signed by a registered architect;

- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.) duly signed by a registered structural engineer;

- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures) duly signed by an electrical engineer;

- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings) duly signed by a mechanical engineer.

d. Environmental Impact Assessment Report;

e. Site Analysis 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 58,554 (NGN 29,256 assessment fee [NGN 7.50 per cubic meter] + NGN 6,968 development fee [NGN 7.50 per square meter of the plot of land] + NGN 10,000 application fee + NGN 10,000 registration fee + NGN 2,323 allocation charge [NGN 2.5 per square meter of the plot of land])

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. Obtain a development permit from the Town Planning Office of the Ministry of Housing and Urban Development

Time: 14 days

Cost: No cost

Comments: After the inspection and the payments have been completed, the Ministry of Housing and Urban Development 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 Housing and Urban Development.

Procedure 8. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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 Housing and Urban Development

Time: 1 day

Cost: No cost

Comments: 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 Housing 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 Housing 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 Housing 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.

* This procedure can be completed simultaneously with previous procedures.

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.

DEALING WITH CONSTRUCTION PERMITS

Osun, Osogbo

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis Report from a registered town planner**Time:** 14 days**Cost:** NGN 40,000 (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. 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 permit at the Town Planning Department of the Ministry of Lands, Planning and Urban Development**Time:** 1 day**Cost:** No cost

Comments: In order to obtain a building permit, BuildCo must submit a duly completed application form to the Town Planning Department of the Ministry of Lands, Planning and Urban Development along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Eight copies of drawings, including:

- Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;

- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;

- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;

- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;

d. Environmental Impact Assessment Report;

e. Three-year tax clearance certificate;

f. Site Analysis Report.

The documents are reviewed by the Town Planning Department of the Ministry of Lands, Planning and Urban Development. An on-site inspection will follow.

Procedure 3. Receive a pre-approval inspection from the Town Planning Department of the Ministry of Lands, Planning and Urban Development**Time:** 1 day**Cost:** No cost

Comments: After BuildCo's application has been reviewed, inspectors from the Town Planning Department 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 for final review and approval.

Procedure 4. Pay the building permit fees at a designated bank**Time:** 1 day

Cost: NGN 105,000 (NGN 75,000 approval fee + NGN 10,000 application fee + NGN 10,000 inspection fee + NGN 10,000 site location plan and Site Analysis Report 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 permit from the Town Planning Department of the Ministry of Lands, Planning and Urban Development**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 Town Planning Department for final approval. If granted, BuildCo is issued a development permit.

Procedure 6. Set up a septic tank**Time:** 14 days**Cost:** NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 7*. 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 8. Receive an inspection during construction from the Town Planning Department of the Ministry of Lands, Planning and Urban Development**Time:** 1 day**Cost:** No cost

Comments: Inspections in Osogbo 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. In practice, four inspections are conducted during construction.

Procedure 9. Receive an inspection during construction from the Town Planning Department of the Ministry of Lands, Planning 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 Lands, Planning 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 Lands, Planning 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.

DEALING WITH CONSTRUCTION PERMITS

Oyo, Ibadan

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis 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. 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 planning approval at the Oyo State Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: In Ibadan, in order to obtain a planning approval, BuildCo must submit a duly completed "Harmonized Demand Notice" to the Oyo State Ministry of Physical Planning and Urban Development, along with the following documents:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;

- Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;

- Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures) duly signed by a registered electrical engineer;

- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings) duly signed by a registered mechanical engineer;

d. Environmental Impact Assessment Report;

e. Site Analysis Report;

f. Tax clearance.

Procedure 3. Pay the planning approval fees at a designated bank

Time: 1 day

Cost: NGN 147,515 (NGN 5,000 fencing permit + NGN 10,000 registration fee + NGN 32,515 [NGN 25 per square meter of the warehouse] + 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 Oyo State Ministry of Physical Planning and Urban Development, which then registers the plans and gives BuildCo a registration number.

Procedure 4. Obtain a planning approval from the Oyo State Ministry of Physical Planning and Urban Development

Time: 25 days

Cost: No cost

Comments: After all payments have been completed, the documents are reviewed by the planning, architectural and engineering sections of the Oyo State Ministry of Physical Planning and Urban Development, 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*. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 7. Receive an inspection during construction from the Oyo State Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Inspections in Ibadan do not follow any particular order. During construction, a team of inspectors from the Oyo State Ministry of Physical Planning and Urban Development 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 Oyo State Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 9. Receive an inspection during construction from the Oyo State Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: Same as above.

Procedure 10. Request and receive a final inspection from the Oyo State Ministry of Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: After construction is complete, a final inspection ensues, during which the Oyo State Ministry of Physical Planning and Urban Development 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 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.

* This procedure can be completed simultaneously with previous procedures.

DEALING WITH CONSTRUCTION PERMITS

Plateau, Jos

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report and a Site Analysis 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. 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 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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules) duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.) duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures) duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings) duly signed by a registered mechanical engineer;
- Environmental Impact Assessment Report duly signed by a registered town planner;

e. Site Analysis Report duly signed by a registered town planner;

f. Commitment/Undertaking Form filled by the supervising engineer.

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. 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 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 650,300 (Processing fee [NGN 500 per square 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 Jos Metropolitan Development Board.

Procedure 5. Obtain a building plan approval from the Jos Metropolitan Development Board

Time: 14 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.

Procedure 6. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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. Receive an inspection at setting out level from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: Once the construction reaches the setting out stage, BuildCo's architect must notify the Jos Metropolitan Development Board 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.

Procedure 9. Receive an inspection at foundation level from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: Once the foundation is complete, BuildCo's architect must notify the Jos Metropolitan Development 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 team 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.

Procedure 10. Receive an inspection at first floor level from the Jos Metropolitan Development Board

Time: 1 day

Cost: No cost

Comments: Once the first floor is complete, BuildCo's architect must notify the Jos Metropolitan Development 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 team 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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 11. 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 12. Obtain a Certificate of Completion from the Jos Metropolitan Development Board

Time: 1 day

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 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.

DEALING WITH CONSTRUCTION PERMITS

Rivers, Port Harcourt

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain Soil Investigation Report

Time: 14 days

Cost: NGN 50,000

Comments: A Soil Investigation Report is prepared by an expert to test the stability of the foundation.

Procedure 2*. Obtain an Environmental Impact Assessment Report and a site plan analysis from a registered town planner

Time: 14 days

Cost: NGN 70,000 (NGN 35,000 Environmental Impact Assessment Report + NGN 35,000 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 registered 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 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 3. Apply for a building plan approval at the Ministry of Urban Development and Physical 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 Ministry of Urban Development and Physical 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, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.) duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures) duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings) duly signed by a registered mechanical engineer;
- d. Three-year tax clearance certificate;
- e. Soil test report, duly signed by a geotechnical engineer;
- f. Copy of workman compensation insurance certificate;
- g. Name of the supervising engineer/builder, his qualification, registration number, residential and office addresses, his passport photograph, phone number and a Letter of Undertaking accepting the full responsibility for the construction;
- h. Site Analysis Report and location plan duly prepared, signed and sealed by a registered town planner;
- i. Environmental Impact Assessment Report duly prepared, signed and sealed by a registered town planner.

The drawings are reviewed firstly by the Engineering Office of the local council. The Engineering Office then sends them internally to the Health Department of the local council. Finally, the Health Department sends them to the Ministry of Urban Development and Physical Planning and Physical Planning. The documents are reviewed by officers at the Ministry of Urban Development and Physical Planning and Physical Planning. An on-site inspection will follow.

Procedure 4. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 300,000 (NGN 5,000 application fee + NGN 5,000 registration fee + NGN 10,000 setting out fee + NGN 280,000 approval fee and fencing 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 - or bank receipt - to be submitted back to the Ministry of Urban Development and Physical Planning.

Procedure 5. Receive a pre-approval inspection from the Ministry of Urban Development and Physical Planning

Time: 1 day

Cost: No cost

Comments: After BuildCo's application has been reviewed, the Ministry of Urban Development and Physical Planning 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 and Physical Planning for final review and approval.

Procedure 6. Obtain a building plan approval from the Ministry of Urban Development and Physical Planning

Time: 30 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 and Physical Planning for final approval.

Procedure 7. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 8*. 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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 9. Receive an inspection at setting out level from the Ministry of Urban Development and Physical Planning

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 and Physical Planning 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 10. Request and receive a final inspection from the Ministry of Urban Development and Physical Planning

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo notifies the Ministry of Urban Development and Physical Planning. A final inspection ensues.

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.

DEALING WITH CONSTRUCTION PERMITS

Sokoto, Sokoto

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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:

- Proof of ownership (such as a Certificate of Occupancy);
- 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, and 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, and schedule of fittings and fixtures);
- Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and 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: 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. Request and receive a final inspection from the Sokoto Urban and Regional Planning Board

Time: 1 day

Cost: No cost

Comments: After construction is complete, BuildCo notifies the Sokoto Urban and Regional Planning Board. A final inspection ensues.

Procedure 7. Obtain a Certificate of Completion from the Sokoto Urban and Regional Planning Board

Time: 7 days

Cost: No cost

Comments: After the final inspection, the Sokoto Urban and Regional 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 8. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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 for water connection and pay the fees to the Water Board

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 Board.

Procedure 11. Receive inspection by the Water Board

Time: 1 day

Cost: No cost

Comments: After the application has been submitted, a team of inspectors from the Sokoto Water Board visits the site to ascertain what needs to be done.

* This procedure can be completed simultaneously with previous procedures.

Procedure 12. Obtain water connection**Time:** 3 days**Cost:** No cost**Comments:** Usually, the building is connected in a matter of days.

DEALING WITH CONSTRUCTION PERMITS

Taraba, Jalingo

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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 Department 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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Five sets of drawings duly signed by a registered architect, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and 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, and schedule of fittings and fixtures);
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings);
- Environmental Impact Assessment Report;
- Site Analysis Report;
- Three-year tax clearance certificate;
- 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*. Set up a septic tank**Time:** 14 days**Cost:** NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

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: Inspections in Taraba 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.

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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 12. 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 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.

DEALING WITH CONSTRUCTION PERMITS

Yobe, Damaturu

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

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:

- Proof of ownership (such as a Certificate of Occupancy);
- Survey plan (attached to the Certificate of Occupancy);
- Four sets of drawings, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- Three-year tax clearance certificate.

The documents are reviewed by officers at the Yobe State Ministry of Land and Survey. An on-site inspection will follow.

Procedure 4. Pay the site plan approval fees at a designated bank

Time: 1 day

Cost: NGN 160,060 (NGN 30,000 development levy + NGN 130,060 approval fee [NGN 100 * square meter 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 Land and Survey.

Procedure 5. 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 6. Obtain the site plan approval from the Yobe State Ministry of Land and Survey

Time: 3 days

Cost: No cost

Comments: The Yobe State Ministry of Land and Survey examines the documents submitted and approves the site plan approval. The Ministry of Land and Survey issues a building permit in 4 copies, 3 of which are given to BuildCo.

Procedure 7. Apply for a building plan approval 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. In addition, BuildCo must also submit:

- The three copies of the site plan approval released by the Ministry of Land and Survey;
- Environmental Impact Assessment Report;
- Site Analysis Report;
- Fire Safety Report;
- Certificate of structural stability signed by a registered engineer;
- Receipt of payment of the development levy.

Procedure 8. 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 9. Pay the building plan approval fees at a designated bank

Time: 1 day

Cost: NGN 10,000 (flat rate for 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 10. 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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 11. 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 12*. Set up a septic tank**Time:** 14 days**Cost:** NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 13. Receive an inspection at setting out level from the Yobe State Ministry of Housing**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 14. Receive an inspection at foundation level from the Yobe State Ministry of Housing**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 15. Receive an inspection at first floor level from the Yobe State Ministry of Housing**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 16. Receive an inspection at second floor level from the Yobe State Ministry of Housing**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 17. Request and receive a final inspection from the Yobe State Ministry of Housing**Time:** 1 day**Cost:** No cost

Comments: After construction is complete, BuildCo notifies the Yobe State Ministry of Housing. A final inspection ensues.

Procedure 18. Obtain a Certificate of Completion from the Yobe State Ministry of Housing**Time:** 1 day**Cost:** No cost

Comments: After the final inspection, the Yobe State Ministry of Housing 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 19*. 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.

DEALING WITH CONSTRUCTION PERMITS

Zamfara, Gusau

Warehouse value: NGN 74,890,495 (US\$ 481,497)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Obtain an Environmental Impact Assessment Report from a registered town planner**Time:** 9 days**Cost:** NGN 20,000 (town planner fee)

Comments: BuildCo has the choice of asking to the Ministry of Housing and Urban Development or to a private environmental specialist to prepare 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. Obtain Soil Investigation Report from the Ministry of Works**Time:** 7 days**Cost:** NGN 15,000

Comments: BuildCo asks to the Ministry of Works to prepare a Soil Investigation Report to test the stability of the foundation.

Procedure 3. Obtain a Fire Safety Report from the Fire Service Department**Time:** 7 days**Cost:** NGN 1,000

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 4. Apply for a building permit at the Zamfara State Urban and Regional Planning Board**Time:** 1 day**Cost:** No cost

* This procedure can be completed simultaneously with previous procedures.

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, including:
 - Architectural designs (site plan, floor plans, elevations, sections, storm drainage system, construction details, and doors and windows schedules), duly signed by a registered architect;
 - Structural designs (design calculations, foundation layout, structural details on beams, columns, staircases, etc.), duly signed by a registered structural engineer;
 - Electrical designs (lighting and power load calculation, power point layout, lighting point layout, and schedule of fittings and fixtures), duly signed by a registered electrical engineer;
 - Mechanical engineering designs (load calculations, waste disposal layout, soil disposal layout, and schedule of sanitary fittings), duly signed by a registered mechanical engineer;
- 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 5. 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 6. 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 7. 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 8. Set up a septic tank

Time: 14 days

Cost: NGN 200,000

Comments: BuildCo sets up a septic tank to establish sewerage.

Procedure 9*. 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 10. Receive an inspection at setting out level from the Zamfara State Urban and Regional Planning Board

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 11. Receive an inspection at foundation level from the Zamfara State Urban and Regional Planning Board

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 12. Receive an inspection at first floor level from the Zamfara State Urban and Regional Planning Board

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 13. Receive an inspection at second floor level from the Zamfara State Urban and Regional Planning Board

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 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.

* This procedure can be completed simultaneously with previous procedures.

LIST OF PROCEDURES REGISTERING PROPERTY

Abia, Aba

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 1,875 (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 title at Land Registry

Time: 3 days

Cost: NGN 10,000 (legal fee for search)

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 can take up to 3 days to perform the search at the Land Registry. The search can only be done in the state's capital city, Umahia and not in Aba as there is no Land Registry.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of property value legal fee)

Comments: Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Generally, lawyers charge 5-10% 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 at Land Registry

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 copies of the deed of assignment for which consent is sought;

- b. Current tax clearance certificate.

Procedure 5. Receive inspection of property from Ministry of Lands, Survey and Urban Planning

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.

Procedure 6. Obtain report from property valuation and demand order for payment of fees at Land Registry

Time: 10 days

Cost: No cost

Comments: It takes 10 days for the authorities to prepare the valuation report and calculate the fees.

Procedure 7. Pay fees at 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 revalidation and administrative fee)

Comments: Applicant makes the payment at a designated bank and picks up a payment receipt.

Procedure 8. Assess and pay capital gains tax at Stamp Duty Office (Board of Internal Revenue)

Time: 4 days

Cost: NGN 556,044 (5% of property value capital gains tax)

Comments: This so-called capital gains tax is charged as a percentage of the property value rather than as a tax on the capital gains (the profit) realized on the sale of the property, if the property was purchased at a lower price than the amount realized on the sale (taking into account the cost of improvements to the property).

Procedure 9*. Assess deed of assignment at Stamp Duty Office (Federal Inland Revenue Service)

Time: 1 day

Cost: No cost

Comments: The applicant presents the deed of assignment to the Stamp Duty Office/Federal Inland Revenue Service (FIRS) for assessment. The applicant is asked for proof of payment of capital gains tax.

Procedure 10. Pay stamp duty at designated bank

Time: 5 days

Cost: NGN 333,627 (3% of property value stamp duty)

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. Stamp deed of assignment at Stamp Duty Office (Federal Inland Revenue Service)

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 of fees at Land 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. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 7)

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. After registration, a further search can be conducted to ensure that the records reflect the new status.

REGISTERING PROPERTY

Adamawa, Yola

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 8,000 (NGN 2,500 search fee + NGN 5,500 consent application form 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 title and obtain consent application form at Land Registry

Time: 5 days

Cost: No cost

Comments: The application letter to conduct the search is accompanied by a sworn declaration of the status of the party and purpose of search.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of property value legal fee)

* This procedure can be completed simultaneously with previous procedures.

Comments: The seller and buyer complete and sign Lands Form 13A and five copies of the deed of assignment. 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 4. Receive inspection of property from Ministry of Lands and Survey

Time: 5 days

Cost: No cost

Comments: The deed is presented by the buyer's lawyer to the Ministry of Lands and Survey. An inspection is carried out by a professional valuer in order to assess the property value and determine fees.

Procedure 5. Submit application for Governor's consent to the assignment at Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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:

- Signed deed of assignment;
- Tax clearance certificates;
- Property title document;
- Copy of the building plan.

Procedure 6. Pay fees at designated bank

Time: 1 day

Cost: NGN 450,336 (NGN 500 administrative fee + NGN 5,000 consent fee + 4% of 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 7. Submit payment receipts of fees at Ministry of Lands and Survey 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 of Lands Services. The Lands Services department then continues with several internal procedures to finalize Governor's consent.

Procedure 8. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office/Federal Inland Revenue Service (FIRS) typically uses the value of the property indicated by the Land Registry in their assessment.

Procedure 9. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is made by bank draft payable to any of the designated receiving banks.

Procedure 10. Stamp 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 FIRS.

Procedure 11. Register deed of assignment at Land Registry

Time: 30 days

Cost: No cost (paid in procedure 6)

Comments: After submitting evidence of payment of registration fee, the buyer's lawyer then follows up for the deed to be filed at the Land Registry.

REGISTERING PROPERTY

Akwa Ibom, Uyo

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 1,000 (search fee)

Comments: Pursuant to a 2011 internal order issued by the Head of the State Civil Service, the search fee is paid at a designated bank and the teller receipt is taken to the Land Registry as evidence of payment.

Procedure 2. Conduct search of property title at Land Registry

Time: 1 day

Cost: NGN 5,000 (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 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. If the results of the search are satisfactory, the lawyer proceeds to prepare the deed of assignment. Since 2011, payment is made at the bank.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 1,112,089 (10% of 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 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 the deed of assignment and subsequent registration of the title but not always. In some cases, lawyer's fee does not include registration of instrument and additional fees up to NGN 20,000-NGN 30,000 may be charged.

Procedure 4. Pay fees at designated bank

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 the designated government account at a commercial bank.

Procedure 5. Submit application for Governor's consent to the assignment at Ministry of Lands and Town Planning

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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. 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:

- Four copies of the deed of assignment;
- Photocopy of certificate of occupancy;
- Past 3 years tax clearance certificate of buyer;
- Evidence of payment of up-to-date ground rent.

Procedure 6. Receive inspection of property from 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 7. Obtain demand order for payment of fees at Ministry of Lands and Town Planning

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.

* This procedure can be completed simultaneously with previous procedures.

Procedure 8. Pay consent fee at designated bank**Time:** 1 day**Cost:** NGN 278,022 (2.5% of property value consent fee)**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 9. Submit payment receipts of fees at Ministry of Lands and Town Planning 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.**Procedure 10. Assess deed of assignment at Stamp Duty Office****Time:** 1 day**Cost:** NGN 5,000 (cost of transportation to Rivers)**Comments:** After the Commissioner gives consent, the applicant takes the deed of assignment to the Stamp Duty Office/Federal Inland Revenue Service (FIRS). The FIRS 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. As there is no Stamp Duty Office in Akwa Ibom able to undertake such action, the applicant or his lawyer must travel to Rivers state.**Procedure 11. Pay stamp duty at designated bank****Time:** 1 day**Cost:** NGN 333,627 (3% of property value stamp duty)**Comments:** The applicant pays the stamp duty at a designated bank. After payment, a teller receipt is issued. Stamp duty in Akwa Ibom is calculated at 3% of the value of the property as indicated in the deed.**Procedure 12. Stamp 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 FIRS. Evidence of payment must be shown.**Procedure 13. Register deed of assignment at Land Registry****Time:** 7 days**Cost:** No cost (paid in procedure 4)**Comments:** After payment of the stamp duty the applicant then follows up for the deed to be registered in the Land Registry, to make it a perfected legal document. The registration fee must have already been paid in procedure 4.

REGISTERING PROPERTY

Anambra, Onitsha*Property value: NGN 11,120,888 (US\$ 71,500)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Pay search fee at designated bank****Time:** 1 day**Cost:** NGN 1,000 (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 title at Land Registry****Time:** 1 day**Cost:** NGN 10,000 (legal fee for search)**Comments:** The search is conducted to determine whether there are 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 NGN 10,000 for conducting the search. The search can only be done in the state's capital city, Awka, as there is no Land Registry in Onitsha.**Procedure 3. Execute deed of assignment at lawyer's office****Time:** 1 day**Cost:** NGN 834,067 (7.5% of property value legal fee)**Comments:** Lawyers are required by law to prepare the deed of assignment to be executed by the parties. Generally, lawyers charge around 7.5% and up to 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 at Ministry of Lands, Survey and Urban Planning****Time:** 1 day**Cost:** No cost**Comments:** By virtue of the Lands 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 copies of the deed of assignment to which consent is sought and tax clearance certificate.**Procedure 5. Receive inspection of property from Ministry of Lands, Survey and Urban Planning****Time:** 5 days**Cost:** No cost**Comments:** A valuation officer from the Ministry of Lands, Survey and Urban Planning 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.**Procedure 6. Obtain demand order for payment of fees at Ministry of Lands, Survey and Urban Planning****Time:** 1 day**Cost:** No cost**Comments:** Following the valuation of property, the applicant goes back to the Ministry of Lands, Survey and Urban Planning to pick up payment orders for all administrative fees.**Procedure 7. Pay fees at designated bank****Time:** 1 day**Cost:** NGN 247,418 (NGN 10,000 inspection fee + NGN 10,000 computerization fee + NGN 5,000 registration fee + 2% of property value consent fee)**Comments:** The applicant makes the payment at a designated bank and picks up a payment receipt.**Procedure 8. Assess capital gains tax at Ministry of Lands, Survey and Urban Planning****Time:** 1 day**Cost:** No cost**Comments:** The capital gains tax is calculated at 10% of the profit made in the transaction.**Procedure 9. Assess 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/Federal Inland Revenue Service (FIRS) for assessment.**Procedure 10. Pay capital gains tax and stamp duty at designated bank****Time:** 3 days**Cost:** NGN 333,627 (3% of 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 made by bank draft payable to a designated bank. It takes about 3 days for the FIRS to receive confirmation of payment.**Procedure 11. Stamp 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 FIRS receives confirmation of payment.

Procedure 12. Submit payment receipts of fees at Ministry of Lands, Survey and Urban Planning and obtain Governor's consent

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. The payment is made in procedure 7.

Procedure 13. Register deed of assignment at Land Registry

Time: 14 days

Cost: No cost (paid in procedure 7)

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. The payment is made in procedure 7.

REGISTERING PROPERTY

Bauchi, Bauchi

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 2,500 (search fee)

Comments: The search fee is paid at a commercial bank.

Procedure 2. Conduct search of property title at Land Registry

Time: 1 day

Cost: No cost

Comments: The lawyer representing the buyer submits an application to the Land Registry requesting to search the property title to determine whether there are any encumbrances on the property.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of property value legal fee)

Comments: Seller and buyer sign the deed of assignment prepared by a lawyer. Legal fee is 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 between 5 and 10% of the value of consideration, but do

negotiate fees outside the provisions of the law. The fee covers the search, the preparation of deed of assignment and registration of title.

Procedure 4. Submit application for Governor's consent to the assignment at Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 of Lands. The application should be accompanied by a photocopy of the title document and proof of payment of ground rates.

Procedure 5. Receive inspection of property from Ministry of Lands and Survey

Time: 7 days

Cost: NGN 10,000 (inspection fee)

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 Survey and to determine the value of the property for the purpose of calculating fees.

Procedure 6. Obtain Governor's consent to the assignment at Ministry of Lands and Survey

Time: 17 days

Cost: No cost

Comments: The applicant receives a letter of consent allowing him/her 4 months for payment of the fees. The delegation of power to grant consent from the Governor to his Senior Special Assistant and to the Commissioner of Lands have reduced the time needed to obtain the Governor's consent.

Procedure 7. Pay fees at designated bank

Time: 1 day

Cost: NGN 565,044 (5% of property value registration fee + NGN 3,000 consent fee + NGN 6,000 processing fee)

Comments: The applicant or the lawyer must go to a designated bank to pay the registration and consent fees. In 2011, there was an increase of the registration fee from 3% to 5%.

Procedure 8. Assess deed of assignment 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 the Federal Inland Revenue Service (FIRS). The FIRS typically uses the value of the property as indicated by the Lands Department 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 establis-

hed in Bauchi, greatly facilitating this procedure. Previously, applicants had to travel to Kaduna or Abuja to carry out stamping.

Procedure 9. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: The applicant or the lawyer must go to a designated bank to pay stamp duty. Payment is made by bank draft, payable to any of the designated receiving banks.

Procedure 10. Stamp 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 FIRS.

Procedure 11. Register deed of assignment at Land Registry

Time: 1 day

Cost: No cost (paid in procedure 7)

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 at the Land Registry.

REGISTERING PROPERTY

Bayelsa, Yenagosa

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 7,500 (NGN 2,500 search fee + NGN 5,000 application form fee)

Comments: The fees are paid at a commercial bank. Upon payment, a teller receipt is issued to the applicant in order to obtain the consent application form and conduct the search.

Procedure 2. Conduct search of property title and obtain consent application form at BGIS (Bayelsa Geographic Information System)

Time: 1 day

Cost: NGN 10,000 (legal fee for search)

Comments: The applicant furnishes the particulars of the property in question. 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. The essence of the search is to reveal whether the property is encumbered. The lawyer usually charges NGN 10,000 as a legal fee. If search is satisfactory the lawyer proceeds to prepare the deed of assignment.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 1,112,089 (10% of 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, some lawyers negotiate outside the provisions of the law. The legal fees cover the preparation of the deed of assignment and subsequent registration of the title.

Procedure 4. Submit application for Governor's consent to the assignment at BGIS (Bayelsa Geographic Information System)

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 documents submitted include:

- Completed consent application form;
- Three copies of the deed of assignment;
- Photocopy of title document;
- Current tax clearance certificate of buyer;
- Evidence of payment of up-to-date ground rent.

Procedure 5. Receive inspection of property from BGIS (Bayelsa Geographic Information System)

Time: 7 days

Cost: NGN 10,000 (inspection fee)

Comments: An inspection of the property is conducted by officers who prepare a report of the inspection. Then an assessment of the property is made to determine the current market value. The current market value is used to calculate the consent fee.

Procedure 6. Obtain demand order for payment of fees at BGIS (Bayelsa Geographic Information System)

Time: 1 day

Cost: No cost

Comments: Applicant is informed of the applicable fees within 7 days of submitting application.

Procedure 7. Pay fees at designated bank

Time: 1 day

Cost: NGN 232,418 (2% of property value consent fee + NGN 5,000 registration fee + NGN 5,000 execution fee)

Comments: Consent fee is assessed at 2% of the property value. Payment is made at a designated bank and teller receipt is issued.

Procedure 8. Submit payment receipts of fees at BGIS (Bayelsa Geographic Information System) and obtain Governor's consent

Time: 61 days

Cost: No cost

Comments: The receipt for the payment of consent fee is submitted in order to get Governor's consent. The applicant's file then moves up to the desk of the Governor for Consent. It takes 1 day to submit the receipts and 60 days to obtain consent.

Procedure 9. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After the Governor has given his consent, the applicant takes the deed of assignment to the Stamp Duty Office/Federal Inland Revenue Service (FIRS) for assessment. The Stamp Duty Office calculates the fee using the value of the property indicated in the deed.

Procedure 10. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 222,418 (2% of property value stamp duty)

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 11. Stamp deed of assignment 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 FIRS. The applicant has to present receipt of payment of stamp duty.

Procedure 12. Register deed of assignment at BGIS (Bayelsa Geographic Information System)

Time: 5 days

Cost: No cost (paid in procedure 7)

Comments: After the stamping of the deed, the applicant follows up for the deed to be registered to make it a perfected legal document. Registration only takes place after confirmation that the stamp duty has been paid.

REGISTERING PROPERTY

Benue, Makurdi

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Deeds Registry

Time: 1 day

Cost: NGN 7,000 (NGN 5,000 search fee + NGN 2,000 application form fee)

Comments: The applicant goes to the Deeds Registry and collects a form from the 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 conduct the search him/herself or ask for the assistance of the Registry staff.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of 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]. According to this scale of fees the fee should be 10% of the consideration, but in practice it is negotiated and is normally about 5% 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 3. Submit application for Governor's consent to the assignment at Ministry of Lands and Survey

Time: 1 day

Cost: NGN 5,000 (NGN 5,000 processing fee)

Comments: The applicant pays the NGN 5,000 fee at the Deeds Registry and presents the deed of assignment together with the following documents:

- Tax clearance for the past 3 years;
- 3 passport-size photographs;
- Application Lands Form filled and signed by the seller or his attorney requesting the Governor's consent.

The Land Registry will then send two officers to carry out two separate evaluations. If the Land Registry accepts the value stated in the deed, the registration fee is 3% of the property value.

Procedure 4*. Receive inspection of property from Ministry of Lands and Survey

Time: 7 days

Cost: No cost

Comments: The site evaluations are carried out by officials of the Department of Valuation from the Ministry of Lands and Survey. They can entail up to two visits by different officers in order to obtain as precise a valuation as possible. In practice though, these visits rarely happen and the Ministry of Lands and Survey usually relies on the applicant's valuation for assessment purposes.

Procedure 5*. Obtain Governor's consent at Ministry of Lands and Survey

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 dues must be paid at the Deeds Registry, but if there is no outstanding ground rent, there is no cost associated with this procedure.

* This procedure can be completed simultaneously with previous procedures.

Procedure 6. Pay registration fee at Deeds Registry

Time: 1 day

Cost: NGN 333,627 (3% of property value registration fee)

Comments: The payment of 3% of the value of the property is for the registration fee. Payment is made at the cash office of the Deeds Registry and a receipt is issued. Once the payment is made, the applicant's file is endorsed.

Procedure 7. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant goes to the Stamp Duty Office/Federal Inland Revenue Service (FIRS) where the assessment is made and the deed is stamped.

Procedure 8. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: Payment of the stamp duty is paid at the bank.

Procedure 9. Stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant goes to the FIRS for stamping the deed of assignment when the payment at the bank is done.

Procedure 10. Register deed of assignment at Deeds Registry

Time: 1 day

Cost: No cost (paid in procedure 6)

Comments: The applicant presents the stamped deed of assignment for registration. The registration could be done by the applicant not just the lawyer.

REGISTERING PROPERTY

Cross River, Calabar

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at CRGIA (Cross River Geographic Information Agency)

Time: 3 days

Cost: NGN 10,000 (search fee)

Comments: In Cross River it is common practice for lawyers to conduct title searches and property registrations. Pursuant to the Cross River State Geographical Agency Law 2012, collection of statutory fees and registration of title deeds are handled by the Cross River Geographic Information Agency (CRGIA). Land Matters are now with CRGIA, which is also in charge of management of survey information. Payment of the search fee

is now made within the CRGIA premises. It is still possible to execute the search manually at the Land Registry. In this case, the search fee is NGN 15,000. At the CRGIA, the search is computerized and the search fee is NGN 10,000.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 1,112,089 (10% of property value legal fee)

Comments: The seller and buyer sign four copies of the deed of assignment. 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 or buyer. The fee includes all the steps required until the new title is registered under the buyer's name.

Procedure 3. Submit application letter to the Director of Lands at CRGIA (Cross River Geographic Information Agency)

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 fees due.

Procedure 4. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented by buyer's lawyer for assessment of the property value at the Stamp Duty Office/Federal Inland Revenue Service (FIRS). Since 2012, there has been a Stamp Duty Office in Calabar, so travel to either Port Harcourt in Rivers state or Aba in Abia state is no longer necessary (lawyers used to stay in Port Harcourt or Aba for 2-3 days until the stamping was completed).

Procedure 5. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of the property value stamp duty)

Comments: The applicant or lawyer must go to a designated bank to pay the stamp duty. Payment is made by bank draft payable to any designated receiving banks. It takes a day for the FIRS to receive the confirmation of payment since the applicant already has the teller and the computer print-out.

Procedure 6. Stamp 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 FIRS and submits the deed for stamping.

Procedure 7. Receive inspection of property from CRGIA (Cross River Geographic Information Agency)

Time: 7 days

Cost: No cost

Comments: Inspection of the Lands is carried out based on the survey plan. A confirmation report is issued detailing whether there is an overriding government interest in the land.

Procedure 8. Obtain demand order for payment of fees at CRGIA (Cross River Geographic Information Agency)

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. Therefore, it is not included in the calculation.

Procedure 9. Pay fees at designated bank

Time: 2 days

Cost: NGN 243,813 (1.5% of property value consent fee + NGN 20,000 application fee + NGN 20,000 administrative fee + NGN 20,000 registration fee + NGN 2,000 lodgment fee + NGN 10,000 charting report + NGN 5,000 inspection fee)

Comments: Payment is made by bank draft payable to any of the designated receiving banks. It takes a couple of days for the CRGIA to receive the confirmation of payment.

Procedure 10. Submit payment receipts of fees at CRGIA (Cross River Geographic Information Agency)

Time: 1 day

Cost: No cost

Comments: The receipts obtained at Procedure 9, together with the paying-in slip to the designated bank, are to be submitted to the cashier at the CRGIA who issues another receipt.

Procedure 11. Obtain Governor's consent to the assignment at Governor's Office

Time: 26 days

Cost: No cost

Comments: By virtue of the Lands 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. The documents to be submitted include:

- Four copies of the deed on which consent is sought;
- Evidence of payment of the consent fee, stamp duty, and capital gains tax;
- Evidence of payment of Lands use charge.

Procedure 12. Register deed of assignment at CRGIA (Cross River Geographic Information Agency)**Time:** 3 days**Cost:** No cost (paid in procedure 9)

Comments: After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed to the CRGIA. The receipt and paying-in slips evidencing payment are given to the cashier at the CRGIA who in turn issues a receipt. With proof of payment a Lands officer is assigned to enter the deed into the records.

REGISTERING PROPERTY

Delta, Warri*Property value: NGN 11,120,888 (US\$ 71,500)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Pay search fee and consent application form fee at designated bank****Time:** 1 day**Cost:** NGN 7,000 (NGN 2,000 search fee + NGN 5,000 application form 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 of property title and obtain consent application form at Land Registry**Time:** 1 day**Cost:** No cost

Comments: Before conducting the search a letter of application is written and submitted to the Director of Lands. The search can only be done in the state's capital city, Asaba as there is no Land Registry office in Warri.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office**Time:** 1 day**Cost:** NGN 556,044 (5% of property value legal fee)

Comments: The seller and buyer complete and sign Lands Form 1C and five copies of the deed of assignment. 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 4. Receive inspection of property from Ministry of Lands, Survey and Urban Development**Time:** 7 days**Cost:** No cost

Comments: The deed is presented by the buyer's lawyer to the Ministry of Lands, Survey and Urban Development for assessment of property value to determine registration fees, and consent fees.

Procedure 5. Obtain Certified True Copy (CTC) of title document at Land Registry**Time:** 1 day**Cost:** NGN 6,000

Comments: The seller issues a letter of authority to the Director of Land Services of the Land Registry, authorizing the lawyer to apply for and obtain CTC of title document, required for Governor's consent.

Procedure 6. Submit application for Governor's consent to the assignment at Ministry of Lands, Survey and Urban Development**Time:** 1 day**Cost:** No cost

Comments: By virtue of the Lands 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 documents to be submitted include:

- Application form;
- Deed of assignment;
- Tax clearance of assigning company;
- Certified true copy of the title document;
- Evidence of paid ground rate up to date.

Procedure 7. Pay fees at designated bank**Time:** 1 day**Cost:** NGN 1,673,133 (15% of property value consent fee + NGN 5,000 registration fee)

Comments: Applicant or lawyer pays prescribed fees at a designated bank and obtain receipts.

Procedure 8. Submit payment receipts of fees at Ministry of Lands, Survey and Urban Development 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 9. Assess deed of assignment at Stamp Duty Office**Time:** 1 day**Cost:** No cost

Comments: The deed is presented for assessment of stamp duty and capital gains tax. The Stamp Duty Office/Federal Inland Revenue Service (FIRS) typically uses the figure as indicated by the Land Registry in their assessment for calculating the fees; this is basically a formality and one picks up the demand notice for payment at the same time.

Procedure 10. Pay capital gains tax and stamp duty at designated bank**Time:** 1 day**Cost:** NGN 611,649 (3% of property value stamp duty + 2.5% of property value capital gains tax)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is made by bank draft payable to any of the designated receiving banks. This so-called capital gains tax is charged as a percentage of the property value rather than as a tax on the capital gains (the profit) realized on the sale of the property, if the property was purchased at a lower price than the amount realized on the sale (taking into account the cost of improvements to the property).

Procedure 11. Stamp 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 FIRS.

Procedure 12. Register deed of assignment at Land Registry**Time:** 3 days**Cost:** No cost (paid in procedure 7)

Comments: After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed at the Land Registry. The receipt and paying-in slips evidencing payment are given to the cashier at the Land Registry, who in turn issues a receipt. A land officer is then assigned to enter the deed into the Land Registry's records.

REGISTERING PROPERTY

Ebonyi, Abakaliki*Property value: NGN 11,120,888 (US\$ 71,500)**Data as of: March 2014**See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Pay search fee and consent application form fee at designated bank****Time:** 1 day**Cost:** NGN 5,000 (NGN 2,000 search fee + NGN 3,000 application form fee)

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 of property title at Land Registry**Time:** 2 days**Cost:** NGN 10,000 (legal fee for search)

Comments: A lawyer is required to conduct the search on behalf of the applicant at the Land Registry. Lawyers usually charge NGN 10,000 as legal fee for conducting the search.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office**Time:** 3 days

Cost: NGN 1,112,089 (10% of 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]. 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 at Ministry of Lands, Survey and Housing

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 a tax clearance certificate.

Procedure 5. Receive inspection of property from Ministry of Lands, Survey and Housing

Time: 4 days

Cost: NGN 3,000 (NGN 3,000 inspection fee)

Comments: Inspection and valuation are conducted by the valuation unit of the Ministry of Lands, Survey and Housing. 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. Obtain demand order for payment of fees at Ministry of Lands, Survey and Housing

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 designated bank

Time: 1 day

Cost: NGN 231,418 (2% of property value consent fee + NGN 3,000 registration fee + NGN 3,000 inspection fee + NGN 3,000 preparation fee)

Comments: The fee is now paid at a designated bank.

Procedure 8. Assess 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/Federal Inland Revenue Service (FIRS) for assessment.

Procedure 9. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 222,418 (2% of property value stamp duty)

Comments: The applicant or lawyer pays the stamp duty at the bank.

Procedure 10. Stamp 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 at the FIRS.

Procedure 11. Submit payment receipts of fees at Ministry of Lands, Survey and Housing and obtain Governor's consent

Time: 61 days

Cost: No cost

Comments: Receipts for fees paid are submitted to the Director of Lands. 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. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 7)

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: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Land Registry

Time: 1 day

Cost: NGN 20,000 (NGN 5,000 search fee + NGN 10,000 legal fee for search + NGN 5,000 application form fee)

Comments: An application letter is addressed to the Land 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 of encumbrances. If satisfactory, the lawyer proceeds to prepare the deed of assignment. The search is executed manually.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 2 days

Cost: NGN 1,112,089 (10% of 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 the deed of assignment and subsequent registration of the title.

Procedure 3. Submit application for Governor's consent to the assignment at Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 documents submitted include:

- Completed consent application form;
- Three copies of the deed of assignment;
- Photocopy of title document;
- Current tax clearance certificate of the buyer;
- Evidence of the payment of up-to-date ground rent.

After the submission of all the above documents, the Ministry of Lands and Survey 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.

Procedure 4. Receive inspection of property from independent valuer

Time: 5 days

Cost: NGN 20,000 (inspection fee)

Comments: Applicant pays for the services of the independent valuer appointed by the Ministry of Lands and Survey.

Procedure 5. Obtain demand order for payment of fees at Ministry of Lands and Survey

Time: 1 day

Cost: No cost

Comments: Applicant goes to the Ministry of Lands and Survey to be informed of the applicable fees.

Procedure 6. Pay consent fee at designated bank

Time: 1 day

Cost: NGN 667,253 (6% of property value consent fee)

Comments: Consent fee is assessed at 6% of the property value. The property value used 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 7. Submit payment receipts of fees at Ministry of Lands and Survey 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. It usually takes 46 days to get the Governor's consent that has been delegated to the Attorney General.

Procedure 8. Obtain demand order for payment of capital gains tax at Stamp Duty Office (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 (BIR) for assessment of capital gains tax. In Edo State, capital gains tax is calculated at 5% of the value of property value.

Procedure 9. Assess deed of assignment at Stamp Duty Office (Federal Inland Revenue Service)

Time: 1 day

Cost: NGN 210 (bank fee)

Comments: In Edo State, stamp duty is calculated at 5% of the value of the property.

Procedure 10. Pay capital gains tax and stamp duty at designated bank

Time: 1 day

Cost: NGN 1,112,089 (5% of property value capital gains tax + 5% of 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 made by bank draft payable to any of the designated receiving banks. This so-called capital gains tax is charged as a percentage of the property value rather than as a tax on the capital gains (the profit) realized on the sale of the property, if the property was purchased at a lower price than the amount realized on the sale (taking into account the cost of improvements to the property).

Procedure 11. Stamp deed of assignment at Stamp Duty Office (Federal Inland Revenue Service)

Time: 1 day

Cost: No cost

Comments: After payment of the stamp duty, the deed is presented for stamping at the Federal Inland Revenue Service (FIRS).

Procedure 12. Pay registration fee at 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 13. Register deed of assignment at Land Registry

Time: 5 days

Cost: No cost (paid in procedure 12)

Comments: After payment of the registration fee, the buyer's lawyer then follows up for the deed to be registered in the Land 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: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 15,000 (NGN 10,000 search fee + NGN 5,000 application form fee)

Comments: A search fee must be paid in advance at a designated bank. Before obtaining the consent application form, the applicant has to pay the consent form fee at a designated bank.

Procedure 2. Conduct search of property title and obtain consent application form at Bureau of Land Services

Time: 2 days

Cost: NGN 10,000 (legal fee for search)

Comments: An application letter is addressed to the Land 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. After the payment of the consent application form fee the receipt is taken to the Land Registry to obtain the consent application form.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 1,112,089 (10% of property value legal fee)

Comments: The seller and buyer complete and sign the consent application form and four 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 4. Submit application for Governor's consent to the assignment at Bureau of Land Services

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 Permanent Secretary of the Bureau of Land Services of the Ministry of Lands and Housing. The documents required include:

- Completed consent application form;
- Four copies of the deed of assignment;
- Copy of the approved building plan;
- Copy of the title document of the seller;
- Current tax clearance certificate of the seller and buyer;
- 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 5. Receive inspection of property from Bureau of Land Services

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 Bureau of Land Services (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 6. Obtain demand order for payment of fees at Bureau of Land Services

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer has to pick up a payment order that specifies the amount that has to be paid as consent fee.

Procedure 7. Assess 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/Federal Inland Revenue Service (FIRS) Office for assessment. The FIRS typically uses the value of property indicated by the Land Registry to assess stamp duty.

Procedure 8. Pay consent and stamp duty fees at designated bank

Time: 1 day

Cost: NGN 1,445,715 (10% of property value consent fee + 3% of property value stamp duty)

Comments: Consent fee is calculated at 10% of the value of the property as assigned after the inspection in the case of already developed land. 15% is the rate applicable for underdeveloped land. Payment is made at a designated bank, after which a receipt is obtained.

Procedure 9. Submit payment receipts of consent fee at Bureau of Land Services and obtain Governor's consent

Time: 31 days

Cost: No cost

* This procedure can be completed simultaneously with previous procedures.

Comments: The receipt of payment of consent fee is presented to the Bureau of Land Services as evidence of payment, and a copy is kept in the applicant's file. The Bureau of Land Services then continues with several internal procedures to finalize Governor's consent.

Procedure 10. Stamp 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 FIRS.

Procedure 11. Pay registration fee at designated bank

Time: 1 day

Cost: NGN 10,000

Comments: Payment is made at a designated bank and a receipt is issued.

Procedure 12. Register deed of assignment at Bureau of Land Services

Time: 7 days

Cost: No cost (paid in procedure 11)

Comments: After payment of the registration fee, buyer's lawyer then follows up for the deed to be registered in the Bureau of Land Services to make it a perfected legal document.

REGISTERING PROPERTY

Enugu, Enugu

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 10,000 (search fee)

Comments: A search fee must be paid in advance at a designated bank. The search fee was increased in 2012 from NGN 5,000 to NGN 10,000. It is common practice that the seller to provide photocopies of the title documents to enable the buyer to conduct the search.

Procedure 2. Conduct search of property title at Land Registry

Time: 1 day

Cost: No cost

Comments: The purpose of the search is to determine whether the property is free of encumbrances. The applicant should submit a request for search, which should contain the name of the property owner, the location of the property, the purpose of the search and the property file number. The search is electronic. Because of power outages, it sometimes takes more than a day to conduct the search.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of 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 deed of assignment. 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 and Urban Development

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 Urban Development. 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. The application should be accompanied by the following documents:

- Tax clearance for both companies;
- Articles of incorporation for both companies;
- Evidence of ground rate paid up to date.

Procedure 5. Receive inspection of property from Ministry of Lands and Urban Development

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. The inspection fee is paid in procedure 7.

Procedure 6. Obtain demand order for payment of fees at Land 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 bank

Time: 1 day

Cost: NGN 236,209 (NGN 40,000 inspection fee + 1% of property value consent fee + NGN 5,000 computer levy fee + NGN 30,000 registration fee + NGN 50,000 application fee)

Comments: Some fees were increased in 2012.

Procedure 8. Assess stamp duty and capital gains tax at Stamp Duty Office

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 Stamp Duty Office/Federal Inland Revenue Service (FIRS). The FIRS uses the value of the property indicated by the Land 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 until June 2008.

Procedure 9. Pay capital gains tax and stamp duty at designated bank

Time: 3 days

Cost: NGN 222,418 (2% of 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 made by bank draft payable at any of the designated receiving banks. It takes a few days for the FIRS to receive the confirmation of payment. Ad valorem stamp duties for property assignment between companies are 2% of the property value.

Procedure 10. Stamp 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 FIRS.

Procedure 11. Submit payment receipts of fees at Ministry of Lands and Urban Development and obtain Governor's Consent

Time: 21 days

Cost: No cost

Comments: The receipts of payments are transferred to the Ministry of Lands and Urban Development for Governor's consent.

Procedure 12. Register deed of assignment at Land Registry

Time: 25 days

Cost: No cost (paid in procedure 7)

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 Land Registry.

REGISTERING PROPERTY

FCT, Abuja

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 20,000 (search fee)

Comments: The search fee is paid at a commercial bank.

Procedure 2. Conduct search of property title at AGIS (Abuja Geographic Information System)

Time: 1 day

Cost: No cost

Comments: The lawyer representing the parties fills out and submits a letter, which states the purpose of the search. Usually, the buyer himself or his lawyer writes a formal letter to the Director of Lands in AGIS on their letterhead and submits it at AGIS for a search to be conducted on the property. The search request has to be accompanied by the proof of payment of search fee and photocopy of the title document. The Land Officer conducts the search, as the file itself is not available for the lawyer to review. The search was computerized in 2007. Usually, the seller's permission is required in order to conduct a search on a property.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 444,836 (4% of property value legal fee)

Comments: Seller and buyer sign four copies of the deed of assignment. 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 4. Submit application for Minister's consent to the assignment at AGIS (Abuja Geographic Information System)

Time: 22 days

Cost: No cost

Comments: By virtue of the Lands 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:

- Application letter prepared by the lawyer;
- Copy of the deed for which the consent is being sought;
- Proof of settlement of outstanding ground rates;
- Tax clearance certificate;
- Letter of clearance of the title holder and the Board's resolution in case of a corporate body;
- Memorandum and articles of association.

Procedure 5*. Receive inspection of property from AGIS (Abuja Geographic Information System)

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 the registration fee and stamp duty will be assessed.

Procedure 6. Obtain Minister's conditional consent and demand order for payment of fees at AGIS (Abuja Geographic Information System)

Time: 1 day

Cost: No cost

Comments: 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 to make payment within 4 months.

Procedure 7. Pay fees at designated bank

Time: 1 day

Cost: NGN 999,671 (NGN 55,000 consent fee + NGN 5,000 processing fee + 1.5% of property value registration fee + 1.5% of property value stamp duty + 5% of property value capital gains tax + NGN 50,000 application fee)

Comments: All these fees are paid at a designated bank. This so-called capital gains tax is charged as a percentage of the property value rather than as a tax on the capital gains (the profit) realized on the sale of the property, if the property was purchased at a lower price than the amount realized on the sale (taking into account the cost of improvements to the property).

Procedure 8. Submit payment receipts of fees to AGIS (Abuja Geographic Information System)

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 Minister's final consent to the assignment

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 Federal Inland Revenue Service, to speed up the property registration process.

Procedure 10. Register deed of assignment at AGIS (Abuja Geographic Information System)

Time: 3 days

Cost: No cost (paid in procedure 7)

Comments: The buyer's lawyer submits the deed to be filed at the Land Registry.

REGISTERING PROPERTY

Gombe, Gombe

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at Land Registry

Time: 1 day

Cost: NGN 2,000 (search fee)

Comments: A verbal application is made and the applicant presents a photocopy of the Certificate of Occupancy, pays the NGN 2,000 search fee and conducts the search.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of property value legal fee)

Comments: The parties execute and 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.

Procedure 3. Submit application for Governor's consent to the assignment and pay consent fee at Ministry of Lands and Survey

Time: 1 day

Cost: NGN 3,000 (consent fee)

Comments: For the purpose of obtaining consent to the assignment, the Governor has delegated his power to the Commissioner of Lands. The documents required are:

- Written application for consent to the Honorable Commissioner;
- Three copies of the deed of assignment duly executed;
- Report of the government valuer who valued the property and recommendations of the Land Officer;
- Evidence of payment of NGN 3,000 consent processing fee;
- Proof of up-to-date ground rent payment.

Procedure 4. Receive inspection of property from Ministry of Lands and Survey

Time: 7 days

Cost: No cost

Comments: A Land Officer or government valuer visits the property to ascertain its market value, then prepares a report and makes recommendations for the consideration and approval of the Honorable Commissioner.

Procedure 5. Assess and pay registration fee at Ministry of Lands and Survey

Time: 5 days

Cost: NGN 278,022 (2.5% of property value registration fee)

* This procedure can be completed simultaneously with previous procedures.

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 takes 5 days, on average. The fee is paid at the Land Registry.

Procedure 6. Assess stamp duty at Stamp Duty Office

Time: 2 days

Cost: NGN 5,000 (cost of transportation to Bauchi)

Comments: The applicant takes the deed of assignment to the Stamp Duty Office/Federal Inland Revenue Service (FIRS) in order to assess the fee to be paid. As there is no Stamp Duty in Gombe state able to undertake such action, the applicant or his lawyer must travel to Bauchi.

Procedure 7. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: The applicant pays stamp duty at a designated bank. After payment, a teller receipt is issued. The stamp duty is calculated at 3% of value of the property as indicated in the deed.

Procedure 8. Stamp 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 FIRS. Evidence of payment must be shown.

Procedure 9. Submit payment receipts of fees at Ministry of Lands and Survey 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 10. Register deed of assignment at Land Registry

Time: 1 day

Cost: NGN 200 (processing fee; registration fee is paid in procedure 5)

Comments: A copy of the deed is retained by the land officer in the Land Registry.

REGISTERING PROPERTY

Imo, Owerri

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 20,000 (search fee)

Comments: Since 2012, the applicant or lawyer pays the search fee at the bank.

Procedure 2. Conduct search of property title 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 a legal fee for performing this procedure.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 4 days

Cost: NGN 1,112,089 (10% of property value legal fee)

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 to the assignment at Ministry of Lands, Survey and Urban Planning

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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:

- Application letter;
- Copy of the existing title and certificate of occupancy;
- Four copies of the deed of assignment;
- Current tax clearances of the seller and buyer;
- Certificate of incorporation for both companies.

Procedure 5. Receive inspection of property from Ministry of Lands, Survey and Urban Planning

Time: 7 days

Cost: No cost

Comments: After the application for consent is received, the valuation unit from the Ministry of Lands, Survey and Urban Planning 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 demand order for payment of fees and pay fees at Ministry of Lands, Survey and Urban Planning

Time: 2 days

Cost: NGN 905,067 (NGN 6,000 inspection fee + NGN 50,000 registration fee + NGN 5,000 preparation fee + NGN 5,000 approval fee + NGN 5,000 application fee + 7.5% of 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. Assess deed of assignment, pay stamp duty and stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

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 payment receipts of fees at Ministry of Lands, Survey and Urban Planning 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.

Procedure 9. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 6)

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: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at Land Registry

Time: 3 days

Cost: NGN 2,000 (NGN 2,000 search fee)

Comments: The usual practice is for a lawyer to be retained for the entire process of registering property starting from the search. The lawyer also obtains a form for Governor's consent after the search is conducted.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of property value legal fee)

Comments: Seller and buyer sign the deed of assignment prepared by a lawyer. The lawyer goes to the Land Registry and pays the prescribed search fees in cash at the Registry. 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. The fee usually covers all steps required till the deed is registered under the new owner's name.

Procedure 3. Obtain consent application form for Governor's consent at Land Registry

Time: 1 day

Cost: NGN 2,200 (NGN 2,200 application form fee)

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. Submit application for Governor's consent to the assignment at Ministry of Lands

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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:

- Tax clearance certificate for both seller and buyer's companies for the past 3 years;
- Evidence of payment of all outstanding ground rent;
- Photocopy of the title document, articles, memorandum of association and incorporation documents of buyer's company.

Procedure 5. Receive inspection of property from Ministry of Lands

Time: 5 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 unoffi-

cial 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. Obtain Governor's conditional consent

Time: 7 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. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: NGN 5,000 (cost of transportation to Kano)

Comments: The Stamp Duty Office/Federal Inland Revenue Service (FIRS) typically uses the figure as indicated by the Land Registry in their assessment of the value of the property. As there is no Stamp Duty in Jigawa able to undertake such action, the applicant or his lawyer must travel to Kano state.

Procedure 8. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 166,813 (1.5% of property value stamp duty)

Comments: The applicant or his lawyer pays the stamp duty at a designated bank.

Procedure 9. Stamp 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 FIRS office in Kano.

Procedure 10. Obtain bank draft for registration fee at designated bank

Time: 1 day

Cost: NGN 500 (cost of bank draft)

Comments: The applicant obtains a bank manager's check for payment of registration fee.

Procedure 11. Register deed of assignment at Land Registry

Time: 1 day

Cost: NGN 444,836 (4% of property value)

Comments: The lawyer is required to submit the bank draft for the registration fee (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 at the Land Registry.

REGISTERING PROPERTY

Kaduna, Kaduna

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 30,000 (NGN 10,000 search fee + NGN 20,000 application form fee)

Comments: The lawyer representing the buyer usually goes to the bank and pays the NGN 10,000 fee in order to proceed to the search.

Procedure 2. Conduct search of property title and obtain consent application form at Land Registry

Time: 2 days

Cost: No cost

Comments: The lawyer obtains the payment slip with which he goes to the Land Registry and upon presentation of the bank payment slip, he is given a receipt at the counter. The officer in charge of files provides the files to the lawyer who under presence of the official inspects the documents of the property as contained in the file aimed to discover any encumbrance or any other existing transaction relating to the property. If after the search the lawyer is convinced with the content of the file, he may write his personal search report or request the official to write the report of the search. The fee payable for the application consent form is NGN 20,000 irrespective of the location of the property, once the property is within the designated urban area of Kaduna state and covered by the state Certificate of Occupancy.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of property value legal fee)

Comments: Seller and buyer sign four copies of the deed of assignment and the application for consent. 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 7.5% 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 4. Submit application for Governor's consent to the assignment at Ministry of Lands, Survey and Country Planning

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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

* This procedure can be completed simultaneously with previous procedures.

interest in landed property. The following documents should be submitted to apply for consent to the assignment:

- Completed application form;
- Three copies of the deed of assignment;
- Current tax clearance for both the assignor and assignee;
- Evidence of payment of ground rates;
- Copy of business certificate and of memorandum and articles of association.

Procedure 5. Receive inspection of property from Ministry of Lands, Survey and Country Planning

Time: 15 days

Cost: No cost

Comments: Upon submission of the application for consent, the Valuation Section of the Land 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 13 days and preparation of the valuation report takes 2 days.

Procedure 6. Obtain demand order for payment of fees at Ministry of Lands, Survey and Country Planning

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 registration fee at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value registration fee)

Comments: The applicant or the lawyer proceeds to the designated bank to pay the registration fee.

Procedure 8. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office/Federal Inland Revenue Service (FIRS) uses the figure indicated by the Land Registry in their assessment to calculate the stamp duty.

Procedure 9. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is made by bank draft payable to any of the designated receiving banks.

Procedure 10. Stamp 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 FIRS. Stamping takes place only after the FIRS receives confirmation of receipt of payment.

Procedure 11. Submit payment receipts of fees at Ministry of Lands, Survey and Country Planning 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.

Procedure 12. Register deed of assignment at Land Registry

Time: 10 days

Cost: No cost (paid in procedure 7)

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: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Land Registry

Time: 7 days

Cost: NGN 7,000 (NGN 5,000 search fee + NGN 2,000 application form fee)

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 Land Registry.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 417,033 (3.75% of property value legal fee) **Comments:** Seller and buyer sign four copies of the deed of assignment and the application for consent form. 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. 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 3. Submit application for Governor's consent to the assignment at Ministry of Lands and Physical Planning

Time: 30 days

Cost: NGN 10,000 (processing fee)

Comments: By virtue of the Lands 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 of Lands, who delegated it further to the Permanent Secretary for Lands. In order to obtain such consent, the following documents must be submitted:

- Copy of the deed of which consent is sought;
- Proof of settlement of outstanding ground rates;
- Letter of clearance of the title holder and board's resolution in case of a corporate body;
- Three years tax clearance certificates of the seller and buyer;
- Registration particulars and articles of association of the company.

Procedure 4*. Receive inspection of property from Ministry of Lands and Physical Planning

Time: 7 days

Cost: No cost

Comments: 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.

Procedure 5. Obtain Governor's consent and demand order for payment of fees at Ministry of Lands and Physical Planning

Time: 1 day

Cost: No cost

Comments: The applicant receives a letter of consent, which is conditional on payment of the prescribed fees. Registration fee must be paid within 4 months, failure attracts a penalty of NGN 100 payable on each defaulting day including weekends.

Procedure 6. Assess deed of assignment 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 the Federal Inland Revenue Service (FIRS). The FIRS typically uses the figure as indicated by the Land Registry in their assessment of the fees.

Procedure 7. Pay fees at designated bank

Time: 1 day

Cost: NGN 889,671 (5% of property value registration fee + 3% of property value stamp duty fee)

* This procedure can be completed simultaneously with previous procedures.

Comments: The buyer or his/her agent pays the prescribed fees and stamp duty at the designated bank. Payment of stamp duty is made by bank draft payable to any of the designated receiving banks. Stamp duty for property assignment between companies is assessed at 3% of the property value.

Procedure 8. Stamp 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 FIRS. Stamping takes place only after the FIRS receives confirmation of receipt of payment.

Procedure 9. Register deed of assignment at Land Registry

Time: 3 days

Cost: No cost (paid in procedure 7)

Comments: Buyer's lawyer submits payment receipts to the Schedule Officer at Land Registry, who in turn enters the deed into the Land Registry records.

REGISTERING PROPERTY

Katsina, Katsina

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Land Registry

Time: 2 days

Cost: NGN 5,000 (NGN 3,000 search fee + NGN 2,000 application form fee)

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 Land Registry.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of 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 until the deed is registered under the new owner's name.

Procedure 3. Submit application for Governor's consent to the assignment at Land Registry

Time: 1 day

Cost: NGN 10,500 (NGN 500 processing fee + NGN 5,000 execution fee + NGN 5,000 revocation fee)

Comments: By virtue of the Lands 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 of 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 file. The following documents should be submitted with the application for consent:

- Proof of settlement of outstanding ground rent;
- Photocopy of title document;
- Three years tax clearance certificates of the seller and buyer's companies;
- Registration particulars and articles of association and incorporation of the buyer's company.

Procedure 4. Receive inspection of property from Ministry of Lands and Survey

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 5. Obtain Governor's conditional consent to the assignment at Ministry of Lands and Survey

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 6. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office/Federal Inland Revenue Service (FIRS) uses the figure as indicated by the Land Registry in their assessment of fees.

Procedure 7. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 166,813 (1.5% of property value stamp duty fee)

Comments: The applicant or his lawyer pay the stamp duty at a designated bank.

Procedure 8. Stamp 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 FIRS.

Procedure 9. Obtain bank manager's check for payment of registration fee at designated bank

Time: 1 day

Cost: NGN 333,877 (3% of property value registration fee + 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 10. Register deed of assignment and pay registration fee at Land Registry

Time: 1 day

Cost: No cost (paid in procedure 9)

Comments: The registration fee is usually paid by submission of a bank manager's check (issued in favor of the Ministry of Lands and Survey) to the cashier at the Ministry. After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed at the Land Registry.

REGISTERING PROPERTY

Kebbi, Birnin Kebbi

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at Land Registry

Time: 1 day

Cost: NGN 200 (search fee)

Comments: The applicant is required to make a written application to the Land 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. The search must be carried out by a lawyer.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 778,462 (7% of 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 at Ministry of Lands, Housing and Urban Development

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 of 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 dues. The evaluation process involves a visit to the property by the Ministry's evaluation team.

Procedure 4. Receive inspection of property from Ministry of Lands, Housing and Urban Development

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.

Procedure 5. Pay registration fee at designated bank

Time: 1 day

Cost: NGN 222,418 (2% of property value registration fee)

Comments: The registration fee is now paid at a designated bank and a receipt is issued.

Procedure 6. Obtain Governor's consent to the assignment at Ministry of Lands, Housing and Urban Development

Time: 180 days

Cost: No cost

Comments: Once payment of registration fee is received by the Ministry of Lands, the application is then forwarded to the Governor for his approval.

Procedure 7. Assess deed of assignment at Stamp Duty Office

Time: 2 days

Cost: NGN 5,000 (cost of transportation to Sokoto)

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/Federal Inland Revenue Service (FIRS) for assessment of duties and stamping. As there is no Stamp Duty in Kebbi able to undertake such action, the applicant or his lawyer must travel to Sokoto state.

Procedure 8. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

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 made by bank draft at any of the designated receiving banks.

Procedure 9. Stamp 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 FIRS. Stamping takes place only after the FIRS receives confirmation of payment from the designated bank.

Procedure 10. Register deed of assignment at Land Registry

Time: 1 day

Cost: No cost (paid in procedure 5)

Comments: A copy of the stamped deed of assignment is returned to the Ministry of Lands, Housing and Urban Development and is then registered.

REGISTERING PROPERTY

Kogi, Lokoja

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 17,500 (NGN 5,000 search fee + NGN 10,000 application form fee + NGN 2,500 consent form fee)

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 title at Land Registry

Time: 2 days

Cost: No cost

Comments: The applicant is required to go to the Ministry of Lands, Housing and Physical Planning with a bank teller for the fees previously paid at the bank in procedure 1. 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.

Procedure 3. Obtain report of property valuation from independent valuer

Time: 2 days

Cost: NGN 75,000 (inspection fee)

Comments: The applicant is required to obtain a valuation report for the property from a certified valuer. The fee is negotiable between the applicant and the valuer. The valuer is not assigned by the Ministry of Lands.

Procedure 4. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of property value legal fee)

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 the assignment at Ministry of Lands, Housing and Physical Planning

Time: 24 days

Cost: No cost

Comments: By virtue of the Lands 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 Kogi state, the power to grant consent is delegated to the Honorable Commissioner of Lands, 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 the consent fee of 4% of the value of the property. The consent fee is paid at a designated bank and a teller is presented as proof at the Ministry of Lands, Housing and Physical Planning. It takes an average of 24 days to receive the consent.

Procedure 6*. Pay consent fee at designated bank

Time: 1 day

Cost: NGN 444,836 (4% of property value consent fee)

Comments: The applicant pays the consent fee at a bank and submits proof of payment to the Ministry of Lands, Housing and Physical Planning.

Procedure 7. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: Stamp Duty fee is assessed at the Stamp Duty Office/Federal Inland Revenue Service (FIRS).

Procedure 8. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: Stamp Duty fee is now to be paid at a designated bank and proof of payment submitted to the FIRS.

* This procedure can be completed simultaneously with previous procedures.

Procedure 9. Stamp deed of assignment at Stamp Duty Office**Time:** 1 day**Cost:** No cost**Comments:** The FIRS handles the stamping of the deed of assignment of corporate bodies. The exercise takes 1 day.**Procedure 10. Pay registration fee at designated bank****Time:** 1 day**Cost:** NGN 333,627 (3% of the property value registration fee)**Comments:** The registration fee is paid at a designated bank.**Procedure 11. Register deed of assignment at Land Registry****Time:** 1 day**Cost:** No cost (paid in procedure 10)**Comments:** The applicant is required to submit proof of payment of registration fee to the Ministry of Lands, Housing and Physical Planning. Once the deed has been approved and duly stamped, it is expected to be submitted for registration within 4 months. Noncompliance attracts a flat penalty of NGN 5,000.

REGISTERING PROPERTY

Kwara, Ilorin*Property value:* NGN 11,120,888 (US\$ 71,500)*Data as of:* March 2014*See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Conduct search of property title and obtain consent application form at Bureau of Lands****Time:** 1 day**Cost:** NGN 15,000 (NGN 5,000 search fee + NGN 10,000 application form fee)**Comments:** A lawyer representing the applicant fills out and submits application to the Director of Bureau of Lands. The lawyer is usually required to bring a letter of authority from the owner. A lawyer is generally employed for property registration. The search fee was increased from NGN 2,500 to NGN 5,000 in 2011. The fee is payable at points located within the Bureau of Lands premises.**Procedure 2. Execute deed of assignment and consent application form at lawyer's office****Time:** 1 day**Cost:** NGN 1,112,089 (10% of property value legal fee)**Comments:** The deed is executed privately by seller and buyer and application forms are signed in triplicate by both parties. A lawyer is generally employed for property registration. 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.**Procedure 3. Submit application for Governor's consent to the assignment at Bureau of Lands****Time:** 1 day**Cost:** No cost**Comments:** By virtue of the Lands 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. Obtaining the Governor's consent requires the submission of the following documents:

- Covering letter with address and telephone number of applicant;
- Current tax clearance certificates of seller and buyer and, for limited liability companies, the Internal Revenue Certificate of PAYE for its staff;
- Four copies of the deed of which consent is sought;
- Evidence of payment of consent, administrative and registration fees;
- Where the property is covered by a state leasehold or certificate of occupancy, evidence of payment of ground rent up to date.

Procedure 4. Receive inspection of property from Bureau of Lands**Time:** 3 days**Cost:** NGN 5,000 (inspection fee)**Comments:** Inspection is performed to assess the value of the property based on which fees will be calculated.**Procedure 5. Pay fees and obtain Governor's consent at Bureau of Lands****Time:** 62 days**Cost:** NGN 856,308 (5% of property value consent fee + 2% of 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 Bureau of Lands. It takes 2 days to pay the fees and 60 days to obtain Governor's consent to the assignment.**Procedure 6. Assess deed of assignment at Stamp Duty Office****Time:** 1 day**Cost:** NGN 5,000 (cost of transportation to Oyo)**Comments:** The Stamp Duty is assessed at the Stamp Duty Office/Federal Inland Revenue Service (FIRS). As there is no Stamp Duty in Kwara able to undertake such action, the applicant or his lawyer must travel to Oyo state.**Procedure 7. Pay stamp duty at designated bank****Time:** 1 day**Cost:** NGN 338,627 (3% of property value stamp duty)**Comments:** Payment of Stamp Duty is done at a designated bank.**Procedure 8. Stamp deed of assignment at Stamp Duty Office****Time:** 1 day**Cost:** No cost**Comments:** The stamping of the deed of assignment is done at the FIRS.**Procedure 9. Register deed of assignment at Bureau of Lands****Time:** 3 days**Cost:** No cost (paid in procedure 5)**Comments:** After paying the registration fee, the buyer's lawyer then follows up for the deed to be filed at the Bureau of Lands. The receipt and paying-in slips evidencing payment are given to the cashier at the Bureau of Lands, who in turn issues a receipt. With proof of payment, a land officer is assigned to enter the deed into the Registry records.

REGISTERING PROPERTY

Lagos, Lagos*Property value:* NGN 11,120,888 (US\$ 71,500)*Data as of:* March 2014*See Data notes for the methodology used to estimate the time and cost associated with each procedure.***Procedure 1. Sworn affidavit for search at Commissioner for Oaths****Time:** 1 day**Cost:** NGN 250**Comments:** Before someone can carry out a search at the Land Registry an Affidavit must be first sworn and filed at the High Court. If the affidavit is registered before 12, then the lawyer will be able to proceed with the search. Otherwise, it will be on the next day.**Procedure 2. Conduct search of property title at Land Registry****Time:** 1 day**Cost:** NGN 3,750 (search fee)**Comments:** The application letter to conduct the search is accompanied by a sworn affidavit signed by the Commissioner for Oaths 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 lands is not subject to any of the overriding interests in land (e.g. short leases, easements, licenses, road or right of way).

Procedure 3. Execute deed of assignment and consent application form at lawyer's office**Time:** 1 day

Cost: NGN 841,317 (NGN 8,750 + 7.5% of property value legal fee above NGN 20,000 if acting for the buyer)

Comments: The assignor and assignee complete and sign Lands Form 1C and four copies of the deed of assignment.

Procedure 4. Obtain Certified True Copy (CTC) of title document and Certified True Copy of survey plan at Land Registry

Time: 4 days

Cost: NGN 7,500 (NGN 5,625 + NGN 1,875)

Comments: The application letter to obtain a Certified True Copy (CTC) of the title of ownership and a CTC of the land survey plan are accompanied by a sworn affidavit of purpose to support an application. Without these two documents the application for the Governor's consent would not be admitted. Parties obtain a copy of the survey plan, as approved by the Town Planning Authority, which is required for the Governor's Consent. Under Nigerian law, clear proof of the identity of the land plot is needed. The survey plan gives the coordinates of the plot and must fit in the official map of Lagos. It identifies the boundaries of the property. If using a private surveyor, he must be a registered one.

Procedure 5. Pay charting, endorsement fee and Form 1C at designated bank

Time: 1 day

Cost: NGN 10,500 (NGN 7,500 charting fee + NGN 1,500 endorsement fee + NGN 1,500 Form 1C fee; capital gains tax of 2% is also paid, but not included in the calculation)

Comments: Fees are paid at a commercial bank. 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 6*. Submit application for Governor's consent to the assignment and obtain the title at Directorate of Lands Services

Time: 61 days

Cost: NGN 3,000 (administrative fee)

Comments: By virtue of the Lands 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 working days following submission of a duly completed application. Incomplete applications are not accepted. New procedures and documentation requirements have been widely published. The Lands Services will also conduct their own checking for encumbrances on the property and whether the land has no overriding government interest.

Obtaining the Governor's consent requires 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 Directors;
- Four copies of the deed of which consent is sought should be attached;
- Copy of the survey plan, as approved by the Surveyor General Office and a picture of the building;
- Evidence of payment for charting fee, endorsement fee, Form 1C;
- 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;
- Where the property is covered by a state Leasehold or Certificate of Occupancy, evidence of payment of Ground Rent, up to date;
- A photograph of the property;
- A copy of the applicant and/or his agent/legal representative's identification.

Procedure 7*. Chart survey plans attached to the deed of assignment at Ministry of Physical Planning and Urban Development

Time: 10 days

Cost: No cost

Comments: Upon submission of the application documents and payment of the administrative fee, the application is given a unique reference number, processed and delivered to the Surveyor General's office for the charting department to ensure that the plans were prepared in accordance with town planning rules and that the property is free from government acquisition. If there are no queries, the deeds are returned to the Directorate of Lands service for issuance of the Assessment Notice. Where the survey plan is queried, a notice of the query is issued to the applicant.

Procedure 8*. Obtain demand order for payment of registration, consent and neighborhood improvement fees at Directorate of Lands Services

Time: 3 days

Cost: No cost

Comments: After investigation and assessment of the true value of the property, an assessment letter will be issued to the applicant. The letter will contain the amount for the registration fee, consent fee, neighborhood improvement charge and the capital gains tax that should be paid to the Lagos State Government Account.

Procedure 9*. Obtain demand order for payment of stamp duty at Stamp Duty Office

Time: 1 day

Cost: NGN 1,445,715 (8% of property value consent fee + 3% of property value registration fee + 2% of property value stamp duty; capital gains tax of 2% is also paid, but not included in the calculation)

Comments: After investigation and assessment of the true value of the property, the applicant will be issued with an assessment letter. The letter will contain the amount for stamp duty verified with the Federal Internal Revenue Services (FIRS).

Procedure 10*. Pay fees at designated bank

Time: 1 day

Cost: No cost

Comments: The applicant pays the remaining fees at the designated bank by means of certified checks. Receipts are provided to the applicant, who will make copies of those receipts before submitting the original receipts to the Land Registry for verification. 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 11*. Submit payment receipts of fees at Directorate of Lands Services

Time: 1 day

Cost: No cost

Comments: 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 for his/her record. The Land Registry manually confirms these payments to the relevant departments. Once payment is confirmed by the Account Department, the Lands Services Department sends the file directly to one of the designated commissioners to grant consent on behalf of the Governor.

Procedure 12. Stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: Deeds are presented by assignee's lawyer for stamping at the Stamp Duty Office/Federal Inland Revenue Service (FIRS). Stamping takes place only after the Registry receives confirmation of receipt of payment.

Procedure 13. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 9)

Comments: The lawyer will then follow up on the deed to be filed at the Land Registry. The receipt and paying-in slips evidencing payment are given to the cashier at the Land Registry. With proof of payment, a land officer is assigned to enter the deed of assignment into the Registry records.

REGISTERING PROPERTY

Nasarawa, Lafia

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 5,000 (search fee)

Comments: The fee is now paid at the bank. Once approval is granted, the property files are released to the applicant to conduct the search.

Procedure 2. Conduct search of property title at NAGIS (Nasarawa Geographic Information System)

Time: 1 day

Cost: No cost

Comments: The applicant writes an application letter addressed to the Commissioner of Lands requesting permission to conduct a search, and submits the letter with proof of payment of the NGN 5,000 search fee.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 778,462 (7% of property value legal fee)

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 7% 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 4. Submit application for Governor's consent to the assignment at NAGIS (Nasarawa Geographic Information System)

Time: 1 day

Cost: No cost

Comments: The deed is submitted to the NAGIS (Nasarawa Geographic Information System) for assessment of registration and consent fees.

Procedure 5. Receive inspection of property from NAGIS (Nasarawa Geographic Information System)

Time: 3 days

Cost: No cost

Comments: The site is inspected by an official valuer in order to determine the value of the property based on which the fees will be calculated (assessment of the fiscal value).

Procedure 6. Pay fees at designated bank

Time: 1 day

Cost: NGN 346,627 (NGN 10,000 consent fee + NGN 3,000 inspection fee + 3% of property value registration fee)

Comments: Consent, site inspection and registration fees are paid at a designated bank.

Procedure 7. Obtain Certified True Copy (CTC) of title document at NAGIS (Nasarawa Geographic Information System)

Time: 2 days

Cost: NGN 3,000

Comments: The applicant is required to make a written application to the NAGIS, attach the deed, and make payment in cash.

Procedure 8. Obtain Governor's consent to the assignment at Ministry of Lands, Survey, and Town Planning

Time: 91 days

Cost: No cost

Comments: By virtue of the Lands 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:

- Proof of payment of the required fees;
- Three year tax clearance for the seller and buyer's companies;
- Four bound copies of the executed deed of assignment.

It takes 1 day to submit the documentation and 90 days to obtain consent.

Procedure 9. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant takes the deed to the Stamp duty Office/Federal Inland Revenue Service (FIRS) to have it assessed.

Procedure 10. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 83,407 (0.75% of property value stamp duty)

Comments: The applicant pays the assessed stamp duty at one of the designated banks.

Procedure 11. Stamp 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 FIRS with receipt of payment for the deed to be stamped.

Procedure 12. Register deed of assignment at NAGIS (Nasarawa Geographic Information System)

Time: 1 day

Cost: No cost (paid in procedure 6)

Comments: After the deed has been stamped, it is registered.

REGISTERING PROPERTY

Niger, Minna

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at NIGIS (Niger Geographic Information System)

Time: 1 day

Cost: NGN 5,000 (NGN 5,000 search fee)

Comments: The applicant visits the Land Registry at NAGIS 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. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of 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 average lawyer's fee in Niger state is 7.5% 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 3. Obtain report of property valuation from independent valuer

Time: 2 days

Cost: NGN 20,000 (inspection fee)

Comments: The applicant is required to obtain an evaluation report from a registered professional valuer and then must submit the report to NAGIS. The report can cost anywhere 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 4. Submit application for Governor's consent to the assignment at NIGIS (Niger Geographic Information System)

Time: 1 day

Cost: No cost

Comments: The valuation report of the property determines the value that will be covered by the deed of assignment. The consideration of the transfer is reflected in the "receipt clause" in the deed of assignment. The clause serves the function of ascertaining the amount to be recovered in the event of litigation over the property. The deed of assignment is used to assess the

registration fee for the property. The fee is usually assessed and determined at 1% of value of the consideration on the property.

Procedure 5. Pay consent and registration fees at designated bank

Time: 1 day

Cost: NGN 222,418 (1% of property value registration + 1% of property value consent fee)

Comments: The applicant makes the payment at a designated bank and then presents proof of payment of the registration fee upon registering the deed of assignment (procedure 10).

Procedure 6. Obtain Governor's consent to the assignment at NIGIS (Niger Geographic Information System)

Time: 31 days

Cost: No cost

Comments: By virtue of the Lands 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 Land Registry and obtains, fills out and submits the consent form together with the following documents:

- Proof of payment of fees;
- Three copies of the deed of assignment;
- Valuation report;
- Proof of payment of ground rent and tax clearance (where applicable).

The land application form can be obtained/downloaded online (NIGIS website).

Procedure 7. Assess deed of assignment and capital gains tax at Stamp Duty Office

Time: 2 days

Cost: NGN 5,000 (cost of transportation to Kaduna)

Comments: As there is no Stamp Duty/Federal Inland Revenue Service (FIRS) in Niger able to undertake such action, the applicant or his lawyer must travel to Kaduna state.

Procedure 8. Pay capital gains tax and stamp duty at designated bank

Time: 1 day

Cost: NGN 444,836 (1% of property value for stamp duty + 3% of property value for capital gains tax)

Comments: The applicant has to make the required payment at any of the designated banks and raises a bank draft of 1% of the value of the property in honor of the FIRS as stamp duty. The capital gains tax that is 3% of the value of the property and should be to the Niger State Board of Internal Revenue (BIR) in Minna. This so-called capital gains tax is charged as a percentage of the property value rather than as a tax on the capital gains (the profit) realized on the sale of the property, if the property was purchased at a lower price than the amount realized on the sale (taking into account the cost of improvements to the property).

Procedure 9. Stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant is required to present the bank draft, which is confirmed with the issuing bank and three copies of the deed of assignment before the FIRS.

Procedure 10. Register deed of assignment at NIGIS (Niger Geographic Information System)

Time: 1 day

Cost: No cost (paid in Procedure 5)

Comments: The applicant presents the stamped deed of assignment for registration.

REGISTERING PROPERTY

Ogun, Abeokuta

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Ogun Geographic Information System

Time: 2 days

Cost: NGN 9,000 (NGN 2,000 search fee + NGN 5,000 application form fee + NGN 2,000 administrative fee)

Comments: The applicant should submit an application letter for conducting the search.

Procedure 2*. Obtain Certified True Copy (CTC) of title document at Bureau of Land Services

Time: 2 days

Cost: NGN 2,500 (NGN 500 per page)

Comments: The seller sends a letter of authority to the Director of the Bureau of Land Services authorizing the lawyer to apply for and obtain a Certified True Copy of title document. This document is required to obtain the Governor's consent. The charge is NGN 500 per page.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of property value legal fee)

Comments: Seller and buyer complete and sign the consent form and six copies of the deed of assignment. A lawyer is usually employed for property registration. 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 until the new title is registered under the buyer's name.

Procedure 4. Pay consent fee at designated bank

Time: 1 day

Cost: NGN 889,671 (8% of 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 5. Submit application for Governor's consent to the assignment at Bureau of Land Services

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 Lands 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:

- Application form;
- Certified True Copy (CTC) of title document;
- Government receipt of up-to-date payment of ground rents;
- Seller's three-year tax clearance certificate;
- Government receipt of payment of current tenement rate (if the land is developed);
- Ogun state development levy receipts for the last 4 years;
- Six copies of the deed of assignment;
- Valuation report;
- Evidence of remittance of current PAYE of their employees to Ogun state.

Procedure 6. Receive inspection of property from Bureau of Land Services

Time: 21 days

Cost: No cost

Comments: After the advance fees have been paid, an officer from the Bureau of Land Services will be assigned to conduct a physical inspection of the property, based on which a valuation report is prepared.

Procedure 7. Assess deed of assignment at Stamp Duty Office

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/Board of Internal Revenue (BIR). The stamp duty is collected by the BIR on behalf of the Federal Inland Revenue Service (FIRS).

Procedure 8. Pay capital gains tax and stamp duty at designated bank

Time: 1 day

* This procedure can be completed simultaneously with previous procedures.

Cost: NGN 333,627 (3% of 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 made by bank draft payable to any of the designated receiving banks. Capital gains tax is calculated at 10% of all chargeable gains.

Procedure 9. Stamp 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 BIR.

Procedure 10. Submit payment receipts of fees at Bureau of Land Services and obtain confirmation of payment by the Revenue Desk

Time: 1 day

Cost: No cost

Comments: Receipts and confirmations are now generated immediately.

Procedure 11. Obtain Governor's consent to the assignment at Bureau of Lands Services

Time: 60 days

Cost: No cost

Comments: After all payments have been cleared, the Bureau of Land Services 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 Land Services.

Procedure 12. Register deed of assignment at Ogun Geographic Information System

Time: 7 days

Cost: NGN 5,000

Comments: After paying the registration fee, the buyer's lawyer follows up for the deed to be filed at the Ogun Geographical Information System.

REGISTERING PROPERTY

Ondo, Akure

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Lands Record Bureau

Time: 1 day

Cost: NGN 15,000 (NGN 5,000 search fee + NGN 5,000 legal fee for search + NGN 5,000 application form fee)

Comments: An application letter is addressed to the Lands Record Bureau. 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 of encumbrances. The NGN 5,000 legal fee only covers the search of property title.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 4 days

Cost: NGN 1,112,089 (10% of 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 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 the deed of assignment and subsequent registration of the title.

Procedure 3. Receive inspection of property from registered estate valuer

Time: 7 days

Cost: NGN 40,000 (inspection 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 4. Submit application for Governor's consent to the assignment at Lands Records Bureau

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 of Lands. In order to obtain the Governor's consent, the applicant must submit the following documents:

- Consent application form;
- Photocopy of the title document;
- Evidence of payment of the development levy;
- Copy of the deed of assignment;
- Valuation report;
- Current tax clearance certificate of seller and buyer's companies.

Procedure 5. Obtain demand order for payment of fees at Lands Record Bureau

Time: 2 days

Cost: No cost

Comments: Applicant goes to the Lands Record Bureau two days after submitting the application to be informed of the result of the assessment and the assessed amount to be paid.

Procedure 6. Pay consent fee at designated bank

Time: 1 day

Cost: NGN 556,044 (5% of property value)

Comments: Consent fee is assessed at 5% of the value of the property, which is the estimated value of the property as determined by the Lands Record Bureau. Payment is made at a designated bank and receipt is issued.

Procedure 7. Submit payment receipts of consent fee at Lands Record Bureau and obtain Governor's consent

Time: 31 days

Cost: No cost

Comments: The receipt for the payment of consent fee is submitted to the Lands Record Bureau. Several internal procedures follow to finalize the Governor's consent. It usually takes the Commissioner of Lands 30 days to issue consent.

Procedure 8. Assess capital gains tax at Stamp Duty Office (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 (BIR) for assessment of capital gains tax.

Procedure 9. Assess deed of assignment at Stamp Duty Office (Federal Inland Revenue Service)

Time: 1 day

Cost: No cost

Comments: The applicant takes the deed of assignment to the Stamp Duty Office/Federal Inland Revenue Service (FIRS) for assessment. The Stamp Duty Office typically uses the figure indicated by the Lands Record Bureau in their assessment.

Procedure 10. Pay capital gains tax and stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty; capital gain tax is also paid, but not included in the calculation)

Comments: The applicant pays the capital gains tax and the stamp duty at a designated bank. After payment, the applicant is issued a teller receipt. Ad valorem stamp duty in Ondo is calculated at 3%.

Procedure 11. Stamp deed of assignment at Stamp Duty Office (Federal Inland Revenue Service)

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 FIRS.

Procedure 12. Register deed of assignment at Lands Record Bureau

Time: 5 days

Cost: NGN 10,000

Comments: After payment of the registration fee, the buyer's lawyer follows up for the deed to be registered in the Lands Record Bureau, 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

Osun, Osogbo

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Land Registry

Time: 7 days

Cost: NGN 22,500 (NGN 7,500 search fee + NGN 10,000 legal fee + NGN 5,000 application form fee)

Comments: An application letter is addressed to the Permanent Secretary of the Ministry of Lands, Physical Planning and Urban Development. The application letter must contain the registration particulars of the land in question. A lawyer is required to perform the registration of property. The NGN 10,000 legal fee covers only the search.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 1,112,089 (10% of property value legal fee)

Comments: 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 seller and buyer complete and sign the consent application form and four 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 3. Submit application for Governor's consent to the assignment at Ministry of Lands, Physical Planning and Urban Development

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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, Physical Planning and Urban Development. In order to obtain the Governor's consent, the applicant must submit the following documents:

- Consent application form;
- Photocopy of the title document;
- Four copies of the deed of assignment;
- Current tax clearance certificate of seller and buyer's companies;
- Photographs of the property.

After the submission of all the above documents, a file is opened and the processing of the file starts.

Procedure 4. Receive inspection of property from Ministry of Lands, Physical Planning and Urban Development

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, Physical Planning and Urban Development. The Director then makes an evaluation of the property. The capital value is the estimated value of the property on the basis of which the consent fee is calculated.

Procedure 5. Obtain demand order for payment of fees at Ministry of Lands, Physical Planning and Urban Development

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 6. Pay consent fee at designated bank

Time: 1 day

Cost: NGN 1,112,089 (10% of property value consent fee)

Comments: Consent fee is calculated at 10% of the property value as assessed by the Director at the Ministry of Lands, Physical Planning and Urban Development. Payment is made at a designated bank, after which a receipt is obtained.

Procedure 7. Submit payment receipts of consent fee at Land Registry and obtain Governor's consent

Time: 61 days

Cost: No cost

Comments: The receipt for payment of consent fee is presented to the Land Registry as evidence of payment, and a copy is kept in the applicant's file. The Land Registry then continues with several internal procedures to finalize Governor's consent.

Procedure 8. Assess deed of assignment and capital gains tax at Stamp Duty Office

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 (BIR) for assessment of stamp duty and capital gains tax. The BIR typically uses the capital value as indicated by the Land 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 9. Pay capital gains tax and stamp duty at designated bank

Time: 2 days

Cost: NGN 222,418 (2% of 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 10. Stamp 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 BIR. Stamping takes place only after the confirmation of payment is received.

Procedure 11. Pay registration fee at designated bank

Time: 1 day

Cost: NGN 10,000

Comments: Payment is made at a designated bank and receipt is issued.

Procedure 12. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 11)

Comments: After payment of the registration fee, the buyer's lawyer then follows up for the deed to be registered in the Land Registry to make it a perfected legal document.

REGISTERING PROPERTY

Oyo, Ibadan

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 12,500 (2,500 per hour search fee + NGN 7,500 application form fee)

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 NGN 2,500 per hour. It takes an average of 2 hours to perform a search.

Procedure 2. Conduct search of property title and obtain consent application form at Land Registry

Time: 1 day

Cost: NGN 10,000 (legal fee for search)

Comments: An application letter is addressed to the Land 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 of 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 separately from the fees for preparation of deed and subsequent procedures because sometimes the search reveals that the property is encumbered, in which case the parties do not proceed with the transfer of deed and the lawyer's services are no longer necessary.

Procedure 3. Receive inspection of property 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 4. Pay special levy on tax clearance and inspection fee at designated bank

Time: 1 day

Cost: NGN 15,000 (NGN 10,000 special levy on tax clearance + NGN 5,000 inspection fee)

Comments: A teller receipt will be issued to the applicant.

Procedure 5. Execute deed of assignment and consent application form at lawyer's office

Time: 4 days

Cost: NGN 1,112,089 (10% of 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 average lawyer's fee in Oyo is 10% of the value of the consideration. The legal fee covers the preparation of the deed of assignment and subsequent procedures that require the involvement of a lawyer.

Procedure 6. Submit application for Governor's consent to the assignment at Ministry of Lands, Housing and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 Permanent Secretary of the Ministry of Lands, Housing 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 7. Receive inspection of property from Ministry of Lands, Housing and Survey

Time: 3 days

Cost: No cost

Comments: An inspection of the property is conducted by officers of the Ministry of Lands, Housing 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 8. Obtain demand order for payment of fees at Ministry of Lands, Housing and Survey

Time: 1 day

Cost: No cost

Comments: The applicant has to pick up a payment order at the Ministry of Lands, Housing and Survey specifying the amount that needs to be paid as consent fee.

Procedure 9. Pay consent fee at designated bank

Time: 1 day

Cost: NGN 1,112,089 (10% of property value consent fee)

Comments: In Oyo, consent fees are assessed at 10% of the estimated value of the property as determined by the Ministry of Lands, Housing and Survey. Payment is made at a designated bank and a receipt is issued.

Procedure 10. Submit payment receipts of fees at Land Registry and assess capital gains tax

Time: 31 days

Cost: No cost

Comments: The receipt for payment of consent fee is presented to the Land Registry as evidence of payment. The Land Registry then continues with several internal procedures to finalize Governor's consent. It usually takes 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 (BIR) who is stationed at the Land 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 11. Assess deed of assignment at 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. The Stamp duty Office/Federal Inland Revenue Service (FIRS) usually uses the figure indicated by the Ministry of Lands, Housing and Survey in their assessment of the value of the property.

Procedure 12. Pay capital gains tax and stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value, capital gains tax is also paid, but not included in the calculation)

Comments: The applicant pays the stamp duty and the capital gain tax at a designated bank. After payment, the applicant is issued a receipt.

Procedure 13. Stamp 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 FIRS.

Procedure 14. Pay registration fee at designated bank

Time: 1 day

Cost: NGN 20,000

Comments: Payment of the registration fee is made at a designated bank and a receipt is issued.

Procedure 15. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 14)

Comments: After payment of the registration fee, the buyer's lawyer follows up for the deed to be registered in the Land 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: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at PLAGIS (Plateau Geographic Information System)

Time: 3 days

Cost: NGN 5,000 (search fee)

Comments: The involvement of a lawyer is not required by law, but is common practice in Jos. The applicant or lawyer goes to the Land Registry, pays the search fee and fills out a search form, after which the search is conducted.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of property value legal fee)

Comments: The seller, buyer and their witnesses duly execute the deed of assignment. The legal fee is 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, the legal fee is negotiable and in Plateau it averages 7.5% of the consideration. 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 at PLAGIS (Plateau Geographic Information System)

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer presents the executed deed of assignment at the Plateau Geographic Information System (PLAGIS) for assessment of registration fees.

Procedure 4. Receive inspection of property from Ministry of Lands, Survey, and Town Planning

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, Survey, and Town Planning. An ascribed value is then given to the property, on the basis of which fees are calculated.

Procedure 5. Obtain Governor's consent to the assignment at PLAGIS (Plateau Geographic Information System)

Time: 50 days

Cost: No cost

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 and Survey. Documents required to be submitted with the application are the following:

- Four copies of the deed of assignment;
- Tax clearance certificates for both seller and buyers' companies for the past three years;
- Evidence of payment of ground rent;
- Evidence of payment of the required fees.

Procedure 6. Pay consent fee and registration fee at designated bank

Time: 1 day

Cost: NGN 338,627 (NGN 5,000 consent fee + 3% of property value registration fee)

Comments: The payment of all fees are now payable at a designated bank.

Procedure 7. Assess deed of assignment at Stamp Duty Office

Time: 2 days

Cost: NGN 5,000 (cost of transportation to Bauchi)

Comments: The applicant or lawyer presents the deed of assignment to the Stamp Duty Office for assessment of capital gains and stamp duty. As there is no Stamp Duty/Federal Inland Revenue Service (FIRS) in Plateau able to undertake such action, the applicant or his lawyer must travel to Bauchi state.

Procedure 8. Pay capital gains tax and stamp duty at designated bank

Time: 1 day

Cost: NGN 778,462 (5% of property value capital gains tax + 2% of property value stamp duty)

Comments: The applicant or lawyer goes to the designated bank to make the payment into the FIRS account and collects the receipt as proof of payment. This so-called capital gains tax is charged as a percentage of the property value rather than as a tax on the capital gains (the profit) realized on the sale of the property, if the property was purchased at a lower price than the amount realized on the sale (taking into account the cost of improvements to the property).

Procedure 9. Stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The applicant or lawyer goes back to the FIRS in Bauchi with proof of payment of fees to have the deed stamped.

Procedure 10. Register deed of assignment at PLAGIS (Plateau Geographic Information System)

Time: 3 days

Cost: No cost (paid in procedure 6)

Comments: The applicant or lawyer goes to the PLAGIS with the stamped deed for registration. The deed is registered only after the PLAGIS cross-checks files to confirm that all payments have been made.

REGISTERING PROPERTY

Rivers, Port Harcourt

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee at designated bank

Time: 1 day

Cost: NGN 500 (search fee)

Comments: The applicant pays to the bank to pay the search fee of NGN 500. The invoice is then attached to the application form along with the title documents of the property for the search to be performed. In Rivers, it is still possible to execute the search manually despite the fact that search is now computerized.

Procedure 2. Conduct search of property title at RIVGIS (Rivers Geographic Information System)

Time: 1 day

Cost: No cost

Comments: The applicant will present the title document of the property to the Land Registry or Rivers Geographic Information System (RIVGIS) and obtain an application form for search and then is able to execute the search.

Procedure 3. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 1,112,089 (10% of property value legal fee)

Comments: The deed of assignment is executed by the seller and buyer after the buyer's lawyer confirms the seller's root of title.

Procedure 4. Attest deed of assignment at Magistrate Court Registry

Time: 1 day

Cost: NGN 500

Comments: The lawyer that drafted the deed takes it to the Magistrates' Court where "it is attested to" (notarized). This is done at the Magistrates' Courts Registry. The attestation is done on the face of the document. Although there is no 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. Submit application for Governor's consent to the assignment at RIVGIS (Rivers Geographic Information System)

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 inspection of property from RIVGIS (Rivers Geographic Information System)

Time: 5 days

Cost: No cost

Comments: Valuers from the RIVGIS inspect the property to determine its market value. Based on that value fees are calculated and communicated to the applicant.

Procedure 7. Pay fees at designated bank

Time: 1 day

Cost: NGN 1,124,089 (NGN 5,000 application form fee + NGN 2,000 execution fee + NGN 5,000 for registration fee + 10% of property value consent fee)

Comments: The listed fees are paid and a receipt is issued together with the paying-in slip of the designated bank.

Procedure 8. Assess deed of assignment and capital gains tax at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office/Federal Inland Revenue Service (FIRS) typically uses the figure indicated by the RIVGS 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 capital gains tax and stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of 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 FIRS for submission and stamping of the deed.

Procedure 10. Stamp 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 FIRS.

Procedure 11. Obtain Governor's consent to the assignment

Time: 90 days

Cost: No cost

Comments: The Permanent Secretary at the Ministry of Lands 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 12. Register deed of assignment at RIVGIS (Rivers Geographic Information System)

Time: 7 days

Cost: No cost (paid in procedure 7)

Comments: There is a "property card" for the 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 RIVGIS.

REGISTERING PROPERTY

Sokoto, Sokoto

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at Land Registry

Time: 1 day

Cost: NGN 500 (search fee)

Comments: A lawyer is required to perform the search of property title in Sokoto. The lawyer goes to the Ministry of Lands, Housing, and Survey (Land Registry), pays the NGN 500 search fee in cash on the spot, and a search is conducted.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 556,044 (5% of property value legal fee)

Comments: Seller and buyer sign the deed of assignment. 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 3. Submit application for Governor's consent to the assignment at Ministry of Lands, Housing and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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 title document and proof of payment of ground rates.

Procedure 4. Receive inspection of property from Ministry of Lands, Housing and Survey

Time: 14 days

Cost: No cost

Comments: An inspection of the property is conducted to ascertain the property value and ensure that the improvements to the land have been done according to the specifications made by the Ministry of Lands, Housing and Survey. All fees will be calculated based on the value of the property established during the inspection.

Procedure 5. Pay consent fee and consent application fee at designated bank

Time: 1 day

Cost: NGN 232,418 (2% of property value consent fee + NGN 10,000 application fee)

Comments: The Ministry of Lands, Housing and Survey 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 payment receipts of fees at Ministry of Lands, Housing and Survey

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 Governor's consent to the assignment at Ministry of Lands, Housing and Survey

Time: 60 days

Cost: No cost

Comments: It usually takes 60 days to obtain consent.

Procedure 8. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented for assessment at the Stamp Duty Office/Federal Inland Revenue Service (FIRS).

Procedure 9. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: Payment is made by bank draft payable to any of the designated receiving banks.

Procedure 10. Stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The deed is presented for stamping at the FIRS. Stamping takes place only after the FIRS receives confirmation of receipt of payment from the designated bank.

Procedure 11. Pay registration fee at designated bank

Time: 1 day

Cost: NGN 556,044 (5% of property value registration fee)

Comments: The applicant is required to pay the registration fee, which is 5% of the value of property, at a designated bank.

Procedure 12. Register deed of assignment at Land Registry

Time: 2 days

Cost: No cost (paid in procedure 11)

Comments: After paying the registration fee, the applicant follows up for the deed to be filed at the Land Registry.

REGISTERING PROPERTY

Taraba, Jalingo

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title and obtain consent application form at Bureau of Lands and Survey

Time: 1 day

Cost: NGN 1,250 (NGN 1,000 search fee + NGN 250 application form fee)

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. One can obtain the application from the consent section of the Bureau of Lands and Survey.

Procedure 2. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 834,067 (7.5% of property value legal fee)

Comments: The seller and buyer complete the application form and sign four copies of the deed of assignment. The average fee charged in Taraba is 7.5% of the consideration. This fee includes all the steps required until the new title is registered under the buyer's name. 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].

Procedure 3. Receive inspection of property from Bureau of Lands and Survey

Time: 7 days

Cost: No cost

Comments: The deed is presented by the buyer's lawyer to the Bureau of Lands and Survey for assessment of property value to determine registration and consent fees.

Procedure 4. Obtain Certified True Copy (CTC) of title document at Bureau of Lands and Survey

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 5. Submit application for Governor's consent to the assignment at Bureau of Lands and Survey

Time: 1 day

Cost: No cost

Comments: By virtue of the Lands 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.

Procedure 6. Pay consent fee and registration fee at Bureau of Lands and Survey

Time: 1 day

Cost: NGN 577,044 (NGN 1,000 consent fee + NGN 5% of property value registration fee + NGN 20,000 processing fee)

Comments: In Taraba, only a registration and consent fee are levied on the transfer of property. The payment is made directly to the Bureau of Lands and Survey, which issues receipts.

Procedure 7. Obtain Governor's consent to the assignment at Bureau of Lands and Survey

Time: 15 days

Cost: No cost

Comments: After the payments of the required fees at the Bureau of Lands and Survey, the Bureau will continue with several internal procedures and will finally communicate to the applicant when consent is approved.

Procedure 8. Assess deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: The Stamp Duty Office/Federal Inland Revenue Service (FIRS) typically uses the figure indicated by the Bureau of Lands and Survey in their assessment.

Procedure 9. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: The applicant or the lawyer must go to a designated bank to pay the stamp duty. Payment is made by bank draft payable to any of the designated receiving banks.

Procedure 10. Stamp 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 FIRS.

Procedure 11. Register deed of assignment at Bureau of Lands and Survey

Time: 5 days

Cost: No cost (paid in procedure 6)

Comments: After obtaining consent, the buyer's lawyer follows up for the deed to be filed at the Bureau of Lands and Survey. The receipt and paying-in slips evidencing payment of the registration fees are given to the cashier, who in turn issues a receipt. After this receipt is obtained, a land officer is assigned to enter the deed of assignment into the registry records.

REGISTERING PROPERTY

Yobe, Damaturu

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Conduct search of property title at Land 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 submitted to the Land Registry, which gives details of the purpose of the search and the parties involved. The NGN 2,000 search fee is paid in cash.

Procedure 2. Execute deed of assignment at lawyer's office

Time: 1 day

Cost: NGN 278,022 (2.5% of property value legal fee)

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. Legal fees are usually negotiated and average at about 2.5% of the property value. The fees include all the subsequent steps required until the new title is registered under the buyer's name.

Procedure 3. Submit application for Governor's consent to the assignment at Land Registry

Time: 7 days

Cost: NGN 2,000 (processing fee)

Comments: By virtue of the Lands 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 processing 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.

Procedure 4. Receive inspection of property from Land Registry

Time: 5 days

Cost: No cost

Comments: Prior to issuance of Governor's consent, an inspection takes place in order to ascertain the value of the property.

Procedure 5. Pay registration fee at Land Registry

Time: 1 day

Cost: NGN 222,418 (2% of property value registration fee)

Comments: Payment of registration fees is made at the Land Registry.

Procedure 6. Submit payment receipts of registration fee at Land Registry

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 Registry personally instead of relying on internal procedures.

Procedure 7. Assess deed of assignment at Stamp Duty Office

Time: 2 days

Cost: NGN 5,000 (cost of transportation to Bauchi)

Comments: The deed is assessed at the Stamp Duty office/Federal Inland Revenue Service (FIRS) to determine stamp duty. As there is no Stamp Duty in Yobe able to undertake such action, the applicant or his lawyer must travel to Bauchi state.

Procedure 8. Pay stamp duty at designated bank

Time: 1 day

Cost: NGN 333,627 (3% of property value stamp duty)

Comments: A receipt is issued upon payment of the stamp duty, which is then presented to the Land Registry.

Procedure 9. Stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: No cost

Comments: After the Stamp Duty is paid, the deed is stamped at the FIRS in Bauchi.

Procedure 10. Submit payment receipts of stamp duty to Land Registry and obtain Governor's consent

Time: 60 days

Cost: No cost

Comments: The file and all the receipts of paid fees are then forwarded to the Commissioner of Lands who gives consent. Although the power to grant consent has been delegated to the Commissioner of Lands, the Governor sometimes personally issues the consent.

Procedure 11. Register deed of assignment at Land Registry

Time: 7 days

Cost: No cost (paid in procedure 5)

Comments: The deed is entered into the Registry's records.

REGISTERING PROPERTY

Zamfara, Gusau

Property value: NGN 11,120,888 (US\$ 71,500)

Data as of: March 2014

See Data notes for the methodology used to estimate the time and cost associated with each procedure.

Procedure 1. Pay search fee and consent application form fee at designated bank

Time: 1 day

Cost: NGN 700 (NGN 200 search fee + NGN 500 application form fee)

Comments: Payment is now made at commercial banks. There is no collection of money at the Ministry of Lands.

Procedure 2. Conduct search of property title and obtain consent application form at Land Registry

Time: 1 day

Cost: No cost

Comments: Once payment of the required search fee has been made, a search can be conducted.

Procedure 3. Execute deed of assignment and consent application form at lawyer's office

Time: 1 day

Cost: NGN 444,836 (4% of property value legal fee)

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 Land Registry. 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 4% of the value of consideration. The fee includes 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 Land Registry

Time: 1 day

Cost: No cost

Comments: The executed deed is presented at the Land 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 inspection of property from Ministry of Lands

Time: 3 days

Cost: No cost

Comments: The Land Registry, as part of the assessment, sends out a valuation officer to inspect the property for the purpose of assessing its value.

Procedure 6. Pay consent fee and registration fee at designated bank

Time: 1 day

Cost: NGN 225,418 (2% of property value registration fee + NGN 3,000 consent fee; capital gains tax is also paid, but not included in the calculation)

Comments: The lawyer pays the registration fee and capital gains tax at commercial banks. Once these payments are made the deed is stamped as proof of payment.

Procedure 7. Assess deed of assignment, pay stamp duty and stamp deed of assignment at Stamp Duty Office

Time: 1 day

Cost: NGN 222,418 (2% of property value stamp duty)

Comments: The applicant is required to go to the Stamp Duty Office/Federal Inland Revenue Service (FIRS) 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 8. Obtain Governor's consent to the assignment at Land Registry

Time: 21 days

Cost: No cost

Comments: By virtue of the Lands 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:

- Consent application form;
- Copy of the deed of assignment;
- Evidence of payment of the stamp duty and registration fee;
- Tax clearance certificate of seller and buyer's companies for the past three years;
- Copy of the certificate of association, memorandum and articles of association of seller and buyer's companies.

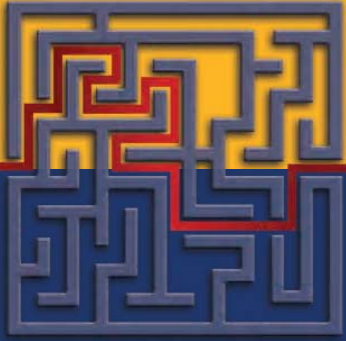
The actual submission takes one day, but on average, takes 3 weeks to obtain the Governor's consent.

Procedure 9. Register deed of assignment at Land Registry

Time: 1 day

Cost: No cost (paid in procedure 6)

Comments: Once all prescribed fees have been paid, the deed will be registered at the Land Registry.

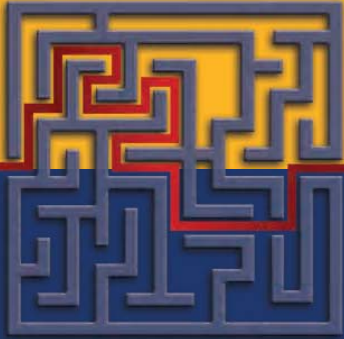


Indicator details

Enforcing contracts

Enforcing contracts

State, City	Procedures (number)	Time (days)				Cost (% of claim)			
		Filing	Judgement	Enforcement	Total days	Attorney	Court	Enforcement	Total cost
Abia, Aba	41	14	360	90	464	24.1	11.1	16.5	51.7
Adamawa, Yola	41	14	685	30	729	30.0	4.0	6.5	40.5
Akwa Ibom , Uyo	41	7	400	21	428	30.0	12.0	4.9	46.8
Anambra, Onitsha	41	30	390	180	600	25.7	8.2	8.7	42.6
Bauchi, Bauchi	41	30	365	60	455	20.0	3.4	4.0	27.4
Bayelsa, Yenagoa	41	14	344	35	393	20.0	10.2	6.5	36.7
Benue, Makurdi	41	14	562	30	606	22.6	4.0	13.0	39.7
Cross River, Calabar	41	27	715	60	802	30.0	14.6	8.2	52.8
Delta, Warri	41	7	365	120	492	25.0	7.3	4.9	37.1
Ebonyi, Abakaliki	41	30	335	180	545	32.3	8.7	5.2	46.3
Edo, Benin City	41	14	240	60	314	19.4	5.5	3.8	28.7
Ekiti, Ado-Ekiti	41	7	479	60	546	32.3	5.5	6.8	44.6
Enugu, Enugu	41	30	730	210	970	30.0	7.5	7.9	45.4
FCT, Abuja	41	21	270	90	381	30.7	6.1	6.1	42.9
Gombe, Gombe	41	30	410	30	470	15.0	9.7	3.2	27.9
Imo, Owerri	41	30	360	120	510	20.0	12.9	20.0	52.9
Jigawa, Dutse	41	21	210	30	261	20.0	6.8	7.0	33.8
Kaduna, Kaduna	41	14	250	27	291	15.0	7.9	3.2	26.2
Kano, Kano	41	21	661	38	720	14.0	11.3	7.1	32.4
Katsina, Katsina	41	30	239	45	314	15.0	7.1	3.9	26.0
Kebbi, Birnin Kebbi	41	18	308	30	356	15.0	6.2	5.0	26.2
Kogi, Lokoja	41	20	384	60	464	19.4	3.6	13.6	36.5
Kwara, Ilorin	41	14	730	30	774	20.0	6.8	3.2	30.0
Lagos, Lagos	40	40	265	142	447	75.0	12.0	5.0	92.0
Nasarawa, Lafia	41	22	222	23	267	24.3	7.3	4.9	36.4
Niger, Minna	41	14	480	21	515	17.8	3.4	5.3	26.5
Ogun, Abeokuta	41	30	365	60	455	19.4	8.1	9.6	37.1
Ondo, Akure	41	7	315	60	382	22.6	3.6	5.2	31.4
Osun, Osogbo	41	14	334	90	438	19.4	6.5	4.9	30.7
Oyo, Ibadan	41	14	365	60	439	19.4	8.1	9.7	37.2
Plateau, Jos	41	18	450	30	498	16.2	4.9	13.6	34.6
Rivers, Port Harcourt	41	15	300	60	375	30.0	9.7	7.0	46.7
Sokoto, Sokoto	41	30	548	60	638	15.0	6.0	6.1	27.1
Taraba, Jalingo	41	14	253	60	327	30.0	9.7	12.9	52.6
Yobe, Damaturu	41	14	254	100	368	14.6	5.0	6.5	26.1
Zamfara, Gusau	41	12	360	30	402	14.6	11.6	9.9	36.0



Annex

Gender representation among staff and management in the Corporate Affairs Commission, the land registries and the state building authorities

State	Responding organization	What is the representation of women among the employees of this organization?	What is the representation of women among the employees in this organization's decision-making positions?*	Is it common for a female entrepreneur to send a male representative to undertake a transaction in this organization?***
Abia	Corporate Affairs Commission	15-35%	15-35%	YES
	Land registry	15-35%	15-35%	YES
	Building authority	15-35%	15-35%	YES
Adamawa	Corporate Affairs Commission	less than 15%	less than 15%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Akwa Ibom	Corporate Affairs Commission	more than 35%	more than 35%	NO
	Land registry	more than 35%	more than 35%	NO
	Building authority	15-35%	15-35%	NO
Anambra	Corporate Affairs Commission	more than 35%	less than 15%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Bauchi	Corporate Affairs Commission	15-35%	15-35%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES
Bayelsa	Corporate Affairs Commission	more than 35%	15-35%	NO
	Land registry	more than 35%	more than 35%	YES
	Building authority	less than 15%	less than 15%	NO
Benue	Corporate Affairs Commission	less than 15%	less than 15%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES
Cross River	Corporate Affairs Commission	more than 35%	more than 35%	NO
	Land registry	15-35%	less than 15%	YES
	Building authority	more than 35%	less than 15%	NO
Delta	Corporate Affairs Commission	more than 35%	15-35%	NO
	Land registry	more than 35%	15-35%	NO
	Building authority	15-35%	less than 15%	NO
Ebonyi	Corporate Affairs Commission	15-35%	15-35%	NO
	Land registry	more than 35%	less than 15%	NO
	Building authority	15-35%	less than 15%	YES
Edo	Corporate Affairs Commission	15-35%	15-35%	YES
	Land registry	more than 35%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES
Ekiti	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES

State	Responding organization	What is the representation of women among the employees of this organization?	What is the representation of women among the employees in this organization's decision-making positions?*	Is it common for a female entrepreneur to send a male representative to undertake a transaction in this organization?***
Enugu	Corporate Affairs Commission	more than 35%	more than 35%	NO
	Land registry	more than 35%	15-35%	NO
	Building authority	15-35%	less than 15%	NO
FCT	Corporate Affairs Commission	more than 35%	more than 35%	YES
	Land registry	more than 35%	15-35%	YES
	Building authority	15-35%	less than 15%	YES
Gombe	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Imo	Corporate Affairs Commission	more than 35%	less than 15%	YES
	Land registry	more than 35%	less than 15%	YES
	Building authority	more than 35%	less than 15%	YES
Jigawa	Corporate Affairs Commission	more than 35%	15-35%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Kaduna	Corporate Affairs Commission	more than 35%	15-35%	YES
	Land registry	more than 35%	less than 15%	YES
	Building authority	15-35%	more than 35%	NO
Kano	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES
Katsina	Corporate Affairs Commission	less than 15%	less than 15%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Kebbi	Corporate Affairs Commission	less than 15%	less than 15%	YES
	Land registry	less than 15%	less than 15%	NO
	Building authority	15-35%	less than 15%	NO
Kogi	Corporate Affairs Commission	15-35%	15-35%	YES
	Land registry	more than 35%	less than 15%	YES
	Building authority	more than 35%	less than 15%	YES
Kwara	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	more than 35%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES
Lagos	Corporate Affairs Commission	more than 35%	15-35%	YES
	Land registry	15-35%	15-35%	YES
	Building authority	15-35%	15-35%	YES

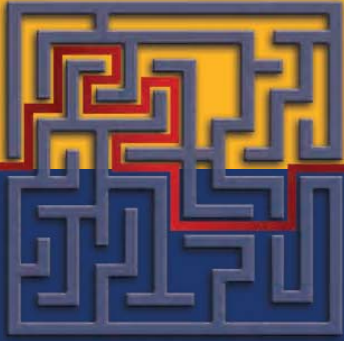
State	Responding organization	What is the representation of women among the employees of this organization?	What is the representation of women among the employees in this organization's decision-making positions?*	Is it common for a female entrepreneur to send a male representative to undertake a transaction in this organization?***
Nasawara	Corporate Affairs Commission	15-35%	more than 35%	YES
	Land registry	more than 35%	15-35%	YES
	Building authority	15-35%	less than 15%	YES
Niger	Corporate Affairs Commission	more than 35%	more than 35%	YES
	Land registry	more than 35%	15-35%	YES
	Building authority	15-35%	less than 15%	YES
Ogun	Corporate Affairs Commission	more than 35%	15-35%	NO
	Land registry	more than 35%	less than 15%	NO
	Building authority	15-35%	less than 15%	YES
Ondo	Corporate Affairs Commission	more than 35%	15-35%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	15-35%	less than 15%	YES
Osun	Corporate Affairs Commission	more than 35%	15-35%	YES
	Land registry	more than 35%	less than 15%	YES
	Building authority	more than 35%	15-35%	YES
Oyo	Corporate Affairs Commission	more than 35%	15-35%	NO
	Land registry	more than 35%	15-35%	YES
	Building authority	15-35%	less than 15%	YES
Plateau	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	15-35%	less than 15%	YES
	Building authority	15-35%	15-35%	NO
Rivers	Corporate Affairs Commission	15-35%	less than 15%	NO
	Land registry	15-35%	less than 15%	YES
	Building authority	15-35%	15-35%	YES
Sokoto	Corporate Affairs Commission	more than 35%	more than 35%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	15-35%	15-35%	YES
Taraba	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Yobe	Corporate Affairs Commission	more than 35%	more than 35%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES
Zamfara	Corporate Affairs Commission	15-35%	less than 15%	YES
	Land registry	less than 15%	less than 15%	YES
	Building authority	less than 15%	less than 15%	YES

Note: All above organizations reported that women do not need male permission (verbal or written) to undertake a transaction such as register a company, register a property title on her name, or obtain a construction permit.

Source: *Doing Business* database—obtained between June 2013 and February 2014 through consultative meetings with authorities from 35 Nigerian states and Abuja, FCT (as self-reported by staff at these organizations who participated in the meetings with the project team).

* Directors and above.

** On behalf of the company owner.



Acknowledgements

Doing Business in Nigeria 2014 was produced by a Global Indicators Group team led by Madalina Papahagi and Trimor Mici. The team comprised Cécile Ferro, Mariline Vieira, Moussa Traoré, and Tommaso Rooms. The report was prepared under the general direction of Mierta Capaul.

The team is grateful for valuable comments provided by colleagues across the World Bank Group. Comments were received from Alice Ouedraogo, Andrew Taylor Gartside, Caroline Plancon, Erica Bosio, Eva Maria Melis, Fernando Fernandez-Monge, Frederic Meunier, Indira Konjhozic, Jariya Hoffman, Johanne Buba, Joshua Seth Wimpey, Joyce Ibrahim, Karim Belayachi, Maiko Miyake, Michael Wong, Marie-Lily Delion, Nayda Almodovar-Reteguis, Thomas Moullier, and Valentina Saltane.

Andres Baquero Franco, Frederic Bustelo, Julio Fuster, Mario Nascimento, Monique Pelloux, Pilar Sanchez-Bella, and Pilar Salgado-Otonel provided valuable assistance at various stages of the project. The communications campaign was designed and led by Nadine Shamounki Ghannam in collaboration with Hyun Kyong Lee, Obadiah Tohomdet, and Sushmitha Narsia. The website (<http://www.doingbusiness.org/Nigeria>) was developed by Hashim Zia, Kunal Patel, and Vinod Vasudevan Thottikkatu. The report was edited by Cintra Scott, and Gerald Quinn produced the layout.

The project was carried out in collaboration with GEMS3, the investment climate component of the Growth and Employment in States (GEMS). The GEMS3 team was led by Ibrahim Gowon, Obinali Egele and William Benthall and comprised Ben

Ogbunude, Nkechi Nwankwo, Peter Sullivan, and Sebari Diете-Spiff. The team is grateful to Dr. Dauda S. Kigbu, (Permanent Secretary), Bambo Kunle-Salami (Special Adviser), and Olayinka M. Olanipekun, (Director of Investment Promotion) from the Ministry of Industry, Trade and Investment for their guidance and assistance during the implementation phase.

The project was funded by the government of the United Kingdom through the Department for International Development (DFID).

Data collection was coordinated by an African Heritage Institution team of researchers led by Dr. Ifediora Amobi and Dr. Uzochukwu Amakom. The team comprised Olufemi Fadare, Charles E. Ukauwa, David O. Agu, Emmanuel Oddy Nwafor, Hamina Bala Jibrin, Ibrahim Yusuf Abubakar, Lilian Ngozi Ezenwa, Martins Oladele Adefisayo, Oyekanmi Isaac Babatimehin, Raymond Obidigbo, Solomon Akpanufot, Uche Gabriel Onyeaka, and Udochukwu Ubadigha. More than 430 business consultants, lawyers, property experts, engineers, architects, utility providers, public officials and magistrates contributed to the *Doing Business in Nigeria 2014* report. The project team extends special thanks to the federal and state government officials and members of the judiciary who participated in the project and who made valuable comments during the consultation and data-review period.

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