



What happens after you incorporate your start-up?

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Registering a business is the first step towards starting any form of trade, but after the business is registered, what do you do next?

This article highlights the steps to be taken by the founder(s) of any start-up or Micro, Small and Medium-Scale Enterprise post-incorporation, to kickstart your business in an efficient, sustainable and compliant manner. The steps include:

1

Obtain business licences

As a business owner, you need to familiarise yourself with your industry requirements. If you operate in a regulated sector, it means that in addition to registering the company/business name, you also need to obtain a licence/permit to trade in that sector. Businesses in regulated sectors include fintechs, food/drugs/cosmetics manufacturing and importation, etc. Know your industry and obtain the necessary approvals from your regulators. Failure to do so could attract fines and may, in some instances, raise valid grounds to shut down the business entirely.

2

Tax Registrations

While processing the required regulatory and statutory approvals, it is also necessary to register with the relevant tax authorities for tax purposes. At

incorporation, your business will be administered its own unique Tax Identification Number ("TIN") but you will still need to apply to the Federal Inland Revenue Service ("FIRS") to obtain a Tax Clearance Certificate and to do a Value-Added Tax Registration. These applications can be processed electronically through the FIRS portal.

3

Protect your Intellectual Property

Your business may have proprietary rights to certain intellectual assets. You will need to register and protect these rights as patents, trade secrets, copyrights, or trademarks. These registrations will give you exclusive use of the rights and prevent infringements.

4

Convene a Board/Strategy Meeting

Although a business name cannot have a Board of Directors, it is important to have a strategy session as soon as possible after incorporation, to take key operational decisions such as determining your bankers, opening bank accounts, determining your financial year end, filling certain key roles within the company, discussing the business operating environment and staying compliant etc. If your business is a registered company and you wish to appoint a Company Secretary, the secretary can also

be appointed at this meeting. The Chairman of the Board should also be elected at this meeting.

5

Issue engagement contracts

Businesses usually engage with third parties either as employees, suppliers or customers. It is important that you put in place certain contracts that will regulate your interactions with third parties to avoid future legal liabilities. These contracts include employment contracts, vendor agreements, service level agreements etc.



6

Insure your business

The recent happenings in the country have highlighted the importance of insuring businesses. If your business will also have a physical presence, take out a comprehensive insurance package to protect the business from loss, damage, or fire.

7

Comply with statutory reporting obligations

There are a few statutory reporting obligations to abide with after your business is incorporated. These reporting obligations are under the Companies and Allied Matters Act, Labour Act, Pension Reform Act etc, and most of them are filed periodically. For instance, every company is required to file its annual returns at the Corporate Affairs Commission (“CAC”) within 18 months of incorporation, and subsequently every year; every company is also required to file its audited financial statements annually at the FIRS not later than 6 months after its financial year end. Business names are required to file annual returns at the CAC and the business owner is also required to pay Personal Income Tax on the aggregate amount of every source of income in each year. Outright non-compliance or failure to meet these reporting requirements within the prescribed statutory timelines usually attracts needless fines, consequently, it is





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advisable to keep a compliance tracker to monitor your compliance obligations and to ensure that the reports are submitted promptly.

If your business is registered as a company, you will also be required to notify the CAC of any significant changes in the company's corporate/business structure. These may include changes to the registered name, the registered office address, the shareholding structure, the Memorandum and Articles of Association and the appointment, resignation or removal of director(s) or the company secretary (if you have one).

The CAC is required to be notified within 14-15 days (as the case may be) of the change being made.

Conclusion

The above steps may seem onerous for a new business owner, but once you are able to follow through, you will have established the right structures to run a sustainable business venture that is in good standing with the law. It is also recommended that you speak with consultants that are professionally trained in business advisory and compliance to guide you. To find such experts, contact us at ulawteam@uubo.org today.