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Company formation in Nigeria

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Coat of arms

Common form	Private company limited by shares (Ltd) [1]
Registry	Corporate Affairs Commission (CAC) [1]
Minimum capital	Low statutory minimum; foreign-owned companies need more to obtain a business permit [1]
Directors	1 director (small companies) or 2 [1]
Local director	Not required; foreign-owned companies need a business permit [1]
Corporate tax	30% for large companies; 0% for small companies
VAT / sales tax	7.5%
Typical timeline	Usually 1–3 weeks [1]
Tax treaties	Domestic rates and treaty list [6]
Currency	Nigerian naira (NGN)

In short: To set up a company in Nigeria, most founders form a private company limited by shares, registered with the Corporate Affairs Commission (CAC). [1] Minimum capital: low statutory minimum; foreign-owned companies need more to obtain a business permit. Corporate tax: 30% for large companies; 0% for small companies. Registration: usually 1–3 weeks (as of November 2026).

Short guide. Tax figures come from PwC Worldwide Tax Summaries (reviewed 29 May 2026); company-law details summarise official guidance and can change. Confirm requirements with the Corporate Affairs Commission (CAC) before filing.

Companies in **Nigeria** are registered online with the **Corporate Affairs Commission (CAC)**. Nigeria's 2025 tax reform laws, in force from 2026, restructured tax administration and keep small companies exempt from corporate tax.

Business structures

Most founders in Nigeria form a private company limited by shares, registered with the Corporate Affairs Commission (CAC). [1] Other forms are listed below.

- **Private company limited by shares** – the usual company form for private businesses

Requirements

Minimum share capital in Nigeria (2026): low statutory minimum; foreign-owned companies need more to obtain a business permit. Directors required: 1 director (small companies) or 2. Local resident director: not required; foreign-owned companies need a business permit. [1]

- A company name that is available, checked with the registry.
- Share capital: low statutory minimum; foreign-owned companies need more to obtain a business permit.
- Directors: 1 director (small companies) or 2.
- Local residency: not required; foreign-owned companies need a business permit.
- A registered office address in Nigeria.
- Articles of association; standard templates are often available.

Registration process

Typical time to register a company in Nigeria (2026): usually 1–3 weeks. [1] The usual steps are:

1. Choose the company form and check that the name is available.

2. Prepare and sign the articles of association.
3. File the registration with the Corporate Affairs Commission (CAC).
4. Receive the company's registration number, and pay in the share capital where required.
5. Register for corporate tax and VAT or sales tax with the Nigeria Revenue Service (formerly FIRS).

Taxation

The corporate tax rate in Nigeria in 2026 is 30% for large companies; 0% for small companies. Standard VAT or sales tax: 7.5%.

Tax	Rate and notes
Corporate income tax	30% for large companies; 0% for small companies
VAT / indirect tax	7.5%
Withholding tax on dividends to non-resident companies	10%

Ongoing compliance

Annual compliance in Nigeria: Companies file annual financial statements and tax returns with the Nigeria Revenue Service (formerly FIRS), and keep their details up to date with the Corporate Affairs Commission.[1]

Double tax treaties

Nigeria has a network of double tax treaties. A double tax treaty decides which country may tax cross-border income and usually caps the withholding tax the paying country can charge.

Domestic withholding tax on payments to non-resident companies

Dividends	Interest	Royalties
10%	10%	10%

The reduced rate for each partner country is set by the treaty concerned; PwC's withholding tax summary for Nigeria lists them.

Domestic rates from the PwC Worldwide Tax Summaries withholding tax quick chart (November 2026). Treaty benefits require proof of tax residence and are subject to anti-abuse rules.

Frequently asked questions

How long does it take to register a company in Nigeria?

Typical registration time in Nigeria: usually 1–3 weeks (as of November 2026), once all documents are ready. Opening a bank account and tax registrations can take longer.

What is the minimum share capital for a company in Nigeria?

Minimum share capital in Nigeria: low statutory minimum; foreign-owned companies need more to obtain a business permit (as of November 2026).

What is the corporate tax rate in Nigeria in 2026?

The corporate tax rate in Nigeria in 2026 is 30% for large companies; 0% for small companies. See the Taxation section for reduced rates and other taxes.

Can a foreigner own 100% of a company in Nigeria?

Yes, for most activities, though some sectors restrict foreign ownership or require approval. Local director rule in Nigeria: not required; foreign-owned companies need a business permit.

What withholding tax applies to dividends paid from Nigeria?

Nigeria withholds 10% on dividends paid to non-resident companies under domestic law, often reduced by a tax treaty. See the Double tax treaties section.

Official registries and resources

- Corporate Affairs Commission (CAC)

Figures as of November 2026. Rates, thresholds and procedures change; confirm with the official registry, the

tax authority or a local adviser before filing.

See also

- Comparison of company formation by country
- Company formation in South Africa
- Company formation in Mauritius
- Company formation in Angola
- Company formation in Botswana
- All countries

References

Entries marked **Official** are the registry, government and tax authority sources for this country; footnote numbers in the infobox point to them.

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2. Nigeria: Corporate – Taxes on corporate income (reviewed 29 May 2026) . PwC Worldwide Tax Summaries. Accessed November 2026.
3. Quick charts: Corporate income tax (CIT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
4. Quick charts: Value-added tax (VAT) rates . PwC Worldwide Tax Summaries. Accessed November 2026.
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