

IMO STATE INVESTMENT GUIDE

2020/2021



FOREWORD



Dear Reader,

This Guide is to offer readers a brief description of Imo State and its investment opportunities, investment climate, incentives and other relevant information on starting and operating a business in the State. It is written to make the state and what it has to offer better known to foreign as well as domestic investors.

It is known that foreign direct investment is by no means the sole driver of growth and development, but it does have a distinctive role to play. Not only does it bring scarce capital, it also brings know-how, technology and access to foreign markets. Furthermore, it also helps improve the competitiveness of domestic enterprises, which is the foundation of all growth.

We hope that our readers find this Guide a useful and practical tool to help in expanding into the state.

Dr Jude Nzeako

Director General/Chief Executive
Imo State Investment Promotion Agency (ISIPA)

TABLE OF CONTENT

FOREWORD	2
EXECUTIVE SUMMARY	5
IMO IN BRIEF	9
IMO INVESTMENT OPPORTUNITIES	10
INCENTIVES AND SUPPORT	11
ABOUT ISIPA	13
ISIPA PROCEDURE	15
MOVING TO IMO	20
• Entry Regulations	20
• Types Of Entry	20
• Obtaining Business Permit And Expatriate Quota	23
STARTING A BUSINESS IN IMO	24
• Types Of Registrable Business Organizations	24
• Finding An Office Location	24
• Registration Of A Business Entity	26
• Exemption From Incorporation	28
• Registering A Trademark	29
• Listing On The Nigeria Stock Exchange (Nse)	29

- Registering With The Tax Authorities _____ 29
- Tax Clearance Certificate _____ 36
- Tax Registration Process _____ 36

- OPERATION A BUSINESS IN IMO _____ 38**

- Labour Market _____ 38
- Production Factor _____ 46
- Land Administration _____ 50
- Legal Framework _____ 53

EXECUTIVE SUMMARY

Imo State is one of the 36 States of the Federal Republic of Nigeria, with an administrative structure of 27 Local Government Areas (LGAs) in the south east region of Nigeria. It lies within latitudes 4°45'N and 7°15'N, and longitude 6°50'E and 7°25'E. It has a total land mass of 5530.49 sq. kilometers and an estimated population of about 4.9million people, who are generally enterprising and hospitable.

The state came into existence in 1976 having been previously part of East-Central State, Part of it was split off in 1991 as Abia State and another became part of Ebonyi State. The state is named after the Imo River which bears the name of a prominent Nigerian family who were the chiefs of Imo State before the ratification of a more formal government.

Imo state has a three-tier administrative structure: State, Local and Autonomous community levels. The three arms at state level are the Executive, the Legislative and the Judiciary. The executive arm is headed by an elected Governor who is assisted by a deputy governor, commissioners and executive advisers.

Imo State occupies a strategic location as the Heartland of the Eastern Region of Nigeria with Owerri as its capital. The State enjoys proximity to many of the neighboring states' metropolitan markets including Port Harcourt, Onitsha, Enugu, Abakaloki, Yenagoa, Calabar and Uyo.

Imo State has an International Cargo Airport in Owerri, and access to the seaports of Port Harcourt and Calabar. It is generally known as a tourist center and investment haven for the South Eastern Region of Nigeria.

Many investment opportunities exist in the state including oil and gas exploration, chemical plants, brewery plants, hydroelectric plants, gas-fired power plants, grain mills, starch production, cashews, fruit and vegetable juice concentrate production, integrated multi-oil seed processing plants, ceramics, inland waterway transport, and palm produce industry, real estate.

There are over 163 oil wells at over 12 different locations in the state. The main petroleum companies operating in the state are Addax Petroleum, Chevron Corporation, Royal Dutch Shell and Agip.

Many more oil and gas opportunities are yet to be developed. The federal government has been called to inspect newly discovered oil-rich areas which might help foster economic development and job creation.

Independent global brewer Heineken, through its subsidiary Nigerian Breweries, has significant investment in Imo State. The company manages the world-class Awo-omamma Brewery, a multiple-line plant.

Industrial parks and processing zones to harness the huge agricultural produce and minerals would give a major boost to the state's economic growth and industrialization. Some of Imo mineral-based raw materials include: limestone, clay, shale, petroleum, Kaoline, lead/zinc Ore, gravel (crushed lateritic sand), lignite, gypsum, black marble and glass sand.

Oguta Lake, Palm Beach Holiday Resort in Awo-omamma and a host of other tourist sites along the banks of the 26 km-length Njaba River are present hotspots for tourism.

Agriculture is the primary occupation, but due to over-farming and high population density, the soil has greatly degraded. One primary source of revenue for Imo State Government is from palm oil production contributed by both large scale and small scale production.

Imo State has natural endowments and the government has put in place policies and programmes aimed at creating enabling environment for investments.

The operating environment has its challenges. The power supply can be erratic; the land-acquisition process can be complex and time-consuming; transport can be a challenge; and the tax system can be difficult. Nonetheless, things have been improving steadily Nigeria. And Imo State offers a location, a climate and a businessfriendly environment that make this state one of the most attractive places in which to invest in Nigeria, West Africa.

MAP OF NIGERIA



MAP OF IMO STATE



IMO IN BRIEF

Official name:	Imo State, Nigeria.
Capital:	Owerri
Form of government:	Multi-party democracy
Administrative structure:	Three-tier - State, Local and Autonomous community levels.
Arms of government:	The Executive, legislative and judiciary
The executive arm:	Governor: Senator Hope Uzodinma
Deputy Governor:	Professor Placid Njoku
Location:	Latitudes 4°45'N and 7°15'N, and longitude 6°50'E and 7°25'E
Surface area:	5,100 sq km,
Climate:	Tropical with temperatures above 20 °C (68.0 °F).
Rainy season:	The rainy season begins in April and lasts until October, with annual rainfall varying from 1,500mm to 2,200mm (60 to 80 inches). An average annual temperature above 20 °C (68.0 °F) creates an annual relative humidity of 75% with humidity reaching 90% in the rainy season. The dry season experiences two months of Harmattan from late December to late February. The hottest months are between January and March.
Population:	4.9 million (2018 estimate)
Religions:	Christianity is the predominant religion.
Languages:	English is the official language alongside Igbo Imo indigenous languages.
GDP:	USD 14.21 billion (2007).
GDP per capita:	USD 3,527 (2007).
Currency:	Nigerian Naira (NIN ₦)
Exchange rate:	Exchange rate: USD 1 = NIN ₦ 387.47 on 29 July 2020 (UN operational exchange rate)
Time zone:	GMT

INVESTMENT OPPORTUNITY IN IMO STATE

Investment Opportunity:	Imo State has investment opportunities in all sectors including Agriculture, Industry (Agro and Mineral raw material extraction), service and educational sectors.
Agricultural Sector (Agro):	Opportunities abound in the agric sector of the economy which include: farming, fishing, extraction of agro based raw materials like Cocoa, Oil Palm, Rubber, Cashew, Citrus Fruits, Cassava, Maize, Plantain/ Banana, Palm-wine Palm-tree, Pineapple, Melon, Poultry, Pigs/Goats, Bamboo.
Mineral Raw Materials:	We have abundant deposits of mineral raw material in different locations in the state. Opportunities in extraction of mineral based raw materials include: Limestone, clay, shale, Kaoline, lead/zinc Ore, gravel (crushed lateritic sand), lignite, gypsum, black marble and glass sand, Oil and gas exploration.
Industrial Sector:	Imo State has opportunities in construction of cottage industry like chemical plants, brewery plants, hydroelectric plants, fired power plants, gas- grain mills, starch production, cashews, fruit and vegetable juice concentrate production, integrated multi-oil seed processing plants, ceramics, palm produce industry and utilities.
Service Sector:	There are numerous opportunities in communication, information technology, transportation, financial services, hospitality, real estate, arts, entertainment and recreation.
Educational Sectors:	Training, development of technology, and research and development, tertiary institution etc.

Imo State has much to offer foreign investors. The people are genuinely friendly, the climate is pleasant, and opportunities abound in many sectors: hospitality, retail trade, construction and health care, to name a few. Of course there are challenges, in infrastructure for example, but they are being addressed. We certainly plan to expand and diversify.

Imo state has abundant raw material resources, including those needed for various kinds of mineral and agro-processing, the Government particularly welcomes investors to this sector. ISIPA also stands ready to do whatever it can to help investors explore and exploit these opportunities.

GOVERNMENT INVESTMENT INCENTIVES AND SUPPORT

Government has deliberately designed investment incentives to support private sector participation in all sectors of the economy. While some of these incentives are in form of tax holiday, exemptions, and reliefs, there are many more that leverage on specific government policies, performance of the companies as well as relevant international investment treaties.

Some of the government incentives are:

1) Financial

- I. Micro-Finance
- II. Some start-up equity (on a case-by-case basis) for investments in critical sectors.
- III. Investment Guaranties and minimum off-take, also on a case-by-case basis.
- IV. Income tax relief for a period of three years and which can be extended for a period of one year and thereafter another one year or for one period of two years – Pioneer Status Incentives.
- V. Tax Incentives for Capital Equipment Purchases
- VI. Other Fiscal and Tax Incentives
- VII. Allow easy repatriation of profits and transfer of dividends
- VIII. Zero Import Duty: Zero percent import duty tariffs (custom, excise and value added) for import of agricultural equipment and agro-processing equipment.
- IX. Avoidance of double taxation agreement which eliminates double taxation with respect on income and capital gains.

(ii) Infrastructural

- I. Land (with certificate of occupancy) with basic infrastructure; access roads, electricity, water, etc
- II. Availability Of Industrial Land
- III. Government-backed security network with 24 hr patrols to ensure safety and security of lives and properties

(ii) Support Systems

- Access to government-developed Investor Information and support through its investment agency, ISIPA
- One-stop channel access to all government bodies through ISIPA's One-Stop Investment Center
- Re-engineered business processes and policies to boost ease of doing business, with aim to make Imo to rank 1st in Ease of Doing Business rating
- Fast tracked licensing and issuance of all necessary permits
- Government backed security
- Investment promotion and protection agreement provides reciprocal baseline protections for investments.
- Peaceful, Stable Government And Hospitality Spirit Of Imo People
- Other Support Services

ABOUT ISIPA

WHO WE ARE

Imo State Investment Promotion Agency (ISIPA) was established by law in 2010 to facilitate, coordinate, grow and monitor all investments in the state economy with special focus on making the economy private sector driven.

The investment promotion effort of the agency are geared towards proactively marketing Imo State, internationally, regionally and locally as an attractive investment “heartland” that offers an array of investment opportunities, therefore attracting the right type of investors that will positively contribute to the long term development of Imo State.

VISION

To position Imo as the heartland for viable and sustainable investments in Nigeria and make Imo a leading provider of value-added support services and human and material inputs to businesses across West Africa; thus serving as a catalyst for economic growth and sustainable job and wealth creation in Imo State.

MISSION & OBJECTIVES

1. To create the right investment climate that would credibly and consistently support current businesses and attract new investments
2. To promote investor-friendly reforms and incentives.

3. Provide investor-oriented information
4. Building effective partnerships that will boost the state economy
4. Offering superior post -investment support services

OUR SERVICES

- Co-ordinating, monitoring and encouraging all investment activities in the state.
- Promoting investment opportunities in the state.
- Attracting foreign direct investments.
- Provision of support services to incoming and existing investors.
- Provision and dissemination of up-to-date information on incentives.
- One-Stop-Shop to Ministries, Departments and Agencies, Institutional Lenders etc.
- Registration of all businesses and investments in the state.
- Linking local business to international partners.
- Initiating policies and support measures that enhance the investment climate in the State.
- Identifying specific projects and inviting interested investors for participation.
- Provision of consultancy services in accounting, legal, company incorporation etc.
- Capacity development and skill training.
- Privatization and commercialization of enterprises.

ISIPA PROCEDURE

- Understanding Investor Requirements
- Project Information
- Project Evaluation
- Investor Invitation
- Visit Planning
- Visit Handling
- Visits to ISIPA “One-Stop Center”
- Visit to Government House
- Technical Committee Screening And Advice
- Site Visitation
- Investment Facilitation Services

1. UNDERSTANDING INVESTOR REQUIREMENTS

ISIPA aims at converting investment inquiries into realized projects. In view of this, we endeavor to gain full and accurate understanding of an investor’s requirements through meticulous review of every proposal.

2. EXPECTED PROJECT INFORMATION

Investment information expected from the proposal include:

- Name of investing organization.
- Name and details of key contacts in the firm.
- Location and country of potential investor.

- Value of investment.
- Number of jobs that will be created from the investment.
- Sector of the investment.
- Detailed description of the project.
- FDI track record of the company.
- Sales and growth of the company, and its financial position.
- Evidence of capability to handle the project
- Source of the funding.

3. PROJECT EVALUATION

ISIPA will conduct due diligent search, assessment on investor to evaluate ability to embark on the project. Mandate letter from funding partners will be investigated; if investment proposal is from a consultant representing a company to ascertain consultant's authenticity.

4. INVESTOR INVITATION

Successfully screened investor will be invited for further discussion with the Director General of Imo State Investment Promotion Agency – ISIPA and Imo Investment Committee (which include the relevant Ministry Commissioner and stakeholders from public and private sectors).

5. VISIT PLANNING

Screened potential investor planning to visit Imo State will consult ISIPA "one-stop-center" to plan travel itinerary and coordination. ISIPA organizes itinerary forwards same to the investor

to review and agree on before the visit.

6. VISIT HANDLING

ISIPA's well trained, dedicated and professional concierge protocol will coordinate potential foreign investor reception at the airport and guidance to baggage claim areas to terminal exit.

- TRANSPORTATION

Ground transportation needs and other services that will guarantees investor's hassle-free trip are provided by our expert team. Our vehicles are driven by well-trained and customer service drivers with security personnel to ensure investor safe travels.

- ACCOMMODATION

ISIPA have wide selection of hotel accommodations with maintained corporate rates tailored to suit investor operational budgets. Investor's accommodation is usually secured before their arrival.

7. POTENTIAL INVESTOR VISIT TO ISIPA "ONE-STOP CENTER"

ISIPA "one-stop-center" provides investment facilitation to investors coming to Imo. Our services include evaluation of project, screening, expediting applications, and providing incentives negotiation and approvals.

- INVESTOR PRESENTATION

Investor visit ISIPA for presentation of proposed project presentation to Imo Investment committee. The committee include: The Director General - ISIPA, relevant Ministry Commissioner and other stakeholders both public and private. Presentation is

made by investor to deliver the features, benefits and proofs of capacity to deliver on the project. Proposed project is discussed in details, necessary documentations presented and signed for final project appraisal and presentation to the governor.

8. VISIT TO GOVERNMENT HOUSE

ISIPA reserves appointment with government house. Investor is introduced to the Governor for final presentation, consideration and ultimate approval by the governor.

9. TECHNICAL COMMITTEE SCREENING AND ADVICE

Government submits investor documents to Imo Technical Committee for further review and advice. The technical committee advises the government on suitable site location for the proposed project and make recommendations on facilities to be provided for the investment. E.g. Road construction, provision of wide drain from the proposed site, physical infrastructure enhancement, augmentation of water supply, the provision of electricity through dedicated power lines, and the installation of telecommunications systems. Etc.

10. SITE VISITATION

- ISIPA agrees with investing company on site visit date and key objectives of the visit.
- Investor visits allocated site, examines and affirms satisfaction with allocated site.
- ISIPA commences full investment facilitation.

11. INVESTMENT FACILITATION SERVICES

Investor having approved allocated site and affirmed satisfaction with the incentives. ISIPA

“One-Stop-Center” commence full investment facilitation which cover a range of regulatory requirements like permits and license applications and all administrative tasks necessary to establish and operate a business in Imo. Other ISIPA value-added services include:

- Property ownership issues.
- Labor employment and related legal issues.
- Availability of skilled work force issues.
- Productivity/profit issues.
- Technical/support issues.
- Logistics issues.
- Work permits/entry permits.
- Transport linkages.
- Environmental impact assessments.

MOVING TO IMO

ENTRY REGULATIONS

Nigeria has certain entry regulations that might require different types of visas and permits. What visa is needed for establishing a business in Nigeria? And most importantly: how can it be obtained?

Further information can be found at the websites of the Nigeria Immigration Service

www.portal.immigration.gov.ng

TYPES OF ENTRY PERMIT FOR OVERSEAS INVESTORS AND EXPATRIATES

1. Visa on Arrival
2. Business Visa
3. Subject to Regularization (STR) Visa
4. Temporary Work Permit (TWP)

VISA ON ARRIVAL: WHO QUALIFIES?

- Business people, investors or tourists. Obtainable at the arrival point of entry in Nigeria

VISA ON ARRIVAL GUIDELINES:

- Visit the Home page of Nigeria Immigration Service Portal at www.portal.immigration.gov.ng
- Locate and click on the appropriate application form to start the process.
- Fill the application form and submit.
- Proceed to make online payment. You will be re-directed to an approved payment platform to complete your application and make your payment in United States dollars.
- You will be expected to take your Visa on Arrival program, payment receipts and other required documents to the Arrival Point of Entry in Nigeria on your slated interview date for further processing.
- Please note that you can reschedule your interview date to any next available date.

BUSINESS VISA: WHO QUALIFIES?

- Business people and investors coming to Nigeria for business discussions.
- Obtainable from Nigerian Missions abroad.

REQUIREMENTS FOR THE ISSUANCE OF BUSINESS VISA

- Passport valid for at least 6 months.
- Duly completed visa application form.
- Evidence of sufficient funds
- Letter of invitation from a company/host in Nigeria accepting immigration responsibility.
- Self-sponsored business men do not require letter of invitation but will be required to show evidence of sufficient funds
- Evidence of on-line payment for visa fee.

SUBJECT TO REGULARIZATION (STR) VISA: WHO QUALIFIES?

- Expatriates employed by individuals, corporate bodies or governments (i.e. to take up employment in Nigeria).

REQUIREMENTS FOR THE ISSUANCE OF STR VISA / ENTRY PERMIT

- Valid passport with minimum of 6 months validity
- Letter of employment
- Expatriate quota approval
- Credentials of the applicant
- Duly completed form IMM 22

- Curriculum Vitae or Resume
- For Chief Executive Officers (C.E.O) of corporate organizations, there is need for extract of the minutes of the Board's resolution
- Evidence of online payment for visa fee
- Obtainable only Nigerian Missions in the countries where applicants are domiciled for at least six (6) months

TEMPORARY WORK PERMIT (TWP): WHO QUALIFIES?

- Experts invited by corporate bodies to provide specialized skilled services, such as after sales installation, maintenance, repairs of machines & equipment

REQUIREMENTS FOR THE ISSUANCE OF TEMPORARY WORK PERMIT (TWP)

- Confirmed Airline Return ticket
- Acceptance of IR (Immigration Responsibility) by inviting organizations or individual.
- Obtainable only from the office of the Controller General of Immigration in the Nigeria Immigration Service Headquarters, Abuja.

IR means acceptance of Immigration Responsibility which includes but not limited to:

- Accommodation/feeding
- Transportation
- And if need be the cost of repatriation or deportation

OBTAINING BUSINESS PERMIT AND EXPATRIATE QUOTA

ISIPA consultancy department will assist investors and foreign companies obtain Business Permit and Expatriate Quota from the Nigerian Immigration Service.

Expatriate personnel do not require work permits, but they remain subject to needs quota of their employer company requiring them to obtain residence permits.

BUSINESS PERMIT

Business permit is the authorization for the operation of a business with foreign capital either as a parent company or a subsidiary of a foreign company. A wholly foreign owned company must obtain business permit as well Expatriate Quota for its foreign staff. ISIPA Consultancy department will process this for you.

EXPATRIATE QUOTA

Expatriate Quota is the authorization to a company to employ individual expatriates to specifically approved job designations, and also specifying the permissible duration of such employment. The expatriate quota is the work permits for expatriate employees to fill the expatriate quota obtained by the employer company.

Limited quota positions are granted as Permanent until Reviewed (PUR) for senior executive positions such as the Chief Executive, Managing Director, or General Manager. ISIPA Legal Department will assist you.

STARTING A BUSINESS IN IMO

FINDING AN OFFICE LOCATION

Investors looking to acquire or lease a location should contact ISIPA One-Stop-Center for assistance. We have a list of options that will meet your criteria. In the interim, you may with our agreement use our address as your Nigerian address. ISIPA will also provide you with a temporary furnished office to operate from.

ISIPA OFFICE ADDRESS:

“Imo State Investment Promotion Agency – ISIPA, Ahiajoku Conference Center, Pocket Layout, Port Harcourt Road, Owerri, Imo State, Nigeria”.

IMO BUSINESS STRUCTURES

There are a number of important considerations for investors when establishing a business in Imo. Investor will generally choose between establishing a new company and acquiring an existing company. If establishing a new business, a variety of business structures are available, each with their own regulations and tax considerations.

TYPES OF REGISTRABLE BUSINESS ORGANIZATIONS

- Business Name
- Private Limited Liability Company (LTD)
- Public Limited Liability Company (PLC)
- Unlimited Liability Company (ULTD)
- Company Limited by Guarantee (GTE)

- Incorporated Trustees

ISIPA consultancy department will advise investor on business structure that best suits their business needs. ISIPA "One-Stop-Stop" will also assist investor with all necessary registrations, licensing and permits.

DESCRIPTION OF REGISTRABLE BUSINESS ORGANIZATIONS

BUSINESS NAME

Business Name is registered as Sole Proprietorship or Partnership.

PRIVATE LIMITED LIABILITY COMPANY (LTD)

This is the most common form of business set up by investors and it requires a minimum share capital of NGN 100, 000 (One Hundred Thousand Naira). A private limited liability company is a legal entity in its own right, separate from those who own it. The company requires a minimum of two (2) and a maximum of fifty (50) shareholders and directors. Such a company is restricted from transferring its shares freely and prohibited from inviting the public to subscribe to its shares, debentures and/or deposit money for fixed periods or payable at call, whether or not bearing interest.

PUBLIC LIMITED LIABILITY COMPANY (PLC)

The minimum share capital for this type of company is NGN 500,000. A Public Limited Company required a Memorandum of Understanding of two (2) shareholders. There is no restriction on the maximum number of shareholders or their right to transfer their shares freely. The public may be invited to subscribe to its capital and the shares may be traded on any securities Exchange.

UNLIMITED LIABILITY COMPANY (ULTD)

This type of company has no limit on the liability of its members.

COMPANY LIMITED BY GUARANTEE (GTE)

Generally incorporated as a not-for-profit. This kind of company limits its members' liability to the amount of their respective guarantees.

INCORPORATED TRUSTEES

Usually formed for not-for-profit or charitable purposes.

REGISTRATION OF A BUSINESS ENTITY

Companies in Nigeria must be registered with the Corporate Affairs Commission (CAC). Investor interested in registering a company with CAC should consults ISIPA "One-Stop-Center" for assistance. CAC registration ranges from Name Search and Reservation, Business Name Registration to Business Incorporation.

NAME SEARCH AND RESERVATION

You can only use a name that is not identical to an existing company or business name. A name availability search must be conducted at the Corporate Affairs Commission registry to see if the name is available for use before reservation. Name Search and Reservation may be done on-line by visiting

www.cac.gov.ng or investor consults ISIPA “one-Stop-Center” for assistance. Our consultancy department will assist you free of charge. Do let us know if you require this service.

BUSINESS NAME REGISTRATION AND INCORPORATION

Businesses can be registered online via the CAC Company Registration Portal www.cac.gov.ng.

Through this site, company or individual can conduct name searches, complete the required forms, submit all relevant incorporation documents, and also pay associated fees online. ISIPA “One-Stop-Center” will also assist you with the incorporation free of charge. Please let us know if you require this service.

The online registration process is laid out below:

1. Create an account on the CAC portal. This can only be created by one of the company directors/shareholders or an accredited agent (a Lawyer, Chartered Accountant or a Chartered Secretary) <https://services.cac.gov.ng/>
2. Conduct name search and reserve a name.
3. Complete registration form (CAC 1.1. Application for Registration), providing details of the directors, shareholders and nature of business.
4. Pay CAC filing fees and stamp duty. The stamp will be electronically affixed once payment is made.
5. Download completed online form and Memorandum and Articles of Association, then append signatures accordingly.
6. Upload scanned documents for processing.

7. Present original copies of uploaded documents and collect certificate of incorporation/registration from the preferred location.
8. Once the certificate of incorporation is ready, a Tax Identification Number (TIN) will be generated by the Federal Inland Revenue Service and sent to registrant's email. ISIPA "One-Stop-Center" will handle all these for you, please contact us.

DOCUMENTS REQUIRED BY CAC FOR BUSINESS INCORPORATION

- Form CAC 1.1. Application for Registration
- Memorandum and Articles of Association
- Proficiency certificate (where applicable)
- Recognized form of identification (passport bio-data page, drivers' licence or National Identity Card) for Director(s)/Shareholder(s) and Secretary
- Foreign Certificate of Incorporation and Board resolution for subscription to Nigerian company (where applicable)
- Residence permit of resident foreigners (where applicable)
- Stamp duty evidence of payment
- Evidence of payment to CAC (the fees to be paid for incorporation is dependent on the volume of shares to be registered).

Read More on <http://new.cac.gov.ng>

PREPARATION AND FILLING OF INCORPORATION DEEDS

Companies must have a Memorandum and Articles of Association, file a copy of same at the

Corporate Affairs Commission registry, effect payment of stamp duties and conclude registration of the company as a legal entity.

ISIPA consultancy department will assist you complete this process.

EXEMPTION FROM INCORPORATION

Foreign companies intending to do business in Imo - Nigeria may apply for exemption from the standard registration requirements if they are:

- Invited by any tier of government for specific individual projects
- Executing specific individual loan projects on behalf of a donor country or international organization
- Foreign government-owned companies engaged solely in export promotion activities and
- Engineering consultants or technical experts engaged in specialist projects with any tier of government.

Such applications for exemption shall be forwarded to the office of the Director General ISIPA.

REGISTERING A TRADEMARK

Companies entering Imo will want to protect their rights and prevent others from using their name by registering a trade mark. ISIPA "One-Stop-Center" will assist you.

LISTING ON THE NIGERIA STOCK EXCHANGE (NSE)

Nigeria has a modern and active stock market, allowing access to long-term capital. To obtain and maintain an NSE listing, companies need to meet the prescribed requirements set out in the stock exchange listing rules. This includes company disclosure and reporting requirements.

REGISTERING WITH THE TAX AUTHORITIES

ISIPA consultancy department is on standby to assist you.

The Federal Inland Revenue Service (FIRS) and State Board Internal Revenue are responsible for the collection of corporate and personnel taxes, respectively.

Every company, business name or incorporated trustee must be registered with the Federal Inland Revenue Service (FIRS) and make to CAC an Annual Return in prescribed Forms within stipulated time. Filing of financial return must be done within 18months of incorporation/registration and must be completed and filed within 42 days after the organization's Annual General Meeting. A financial year can in principle start on any given date.

COMPANY TAXATION

All businesses which operate in and derive income from Imo are liable to pay tax. The Imo State tax system operates a self-assessment regime which allows taxpayers to assess, pay and file tax returns as prescribed in the extant tax laws.

THREE TIERS OF GOVERNMENT TAX

Taxation in Nigeria is based on the three tiers of government as follows:

THE FEDERAL GOVERNMENT TAX

The Federal Government through the Federal Inland Revenue Service (FIRS) has jurisdiction over:

1. Companies Income Tax
2. Tertiary Education Tax
3. Personal Income Tax for non-residents
4. Capital Gains Tax (on capital gains made by companies)
5. Value Added Tax
6. Petroleum Profits Tax
7. Stamp Duties payable on transactions involving corporate bodies.

THE STATES GOVERNMENT TAX

The States have responsibility for collecting taxes payable by individuals resident in their territories these include:

1. Personal Income Tax
2. Capital Gains Tax
3. Stamp Duties on instruments executed by individuals.

THE LOCAL GOVERNMENTS TAX

The Local Governments are responsible for miscellaneous taxes:

- Levies and Rates such as tenement rates.

For further Details see National Tax Policy

<http://www.investinimo.com/NATIONAL%20TAX%20POLICY.pdf> OR

And Federal Inland Revenue Service (FIRS)

[http://www.investinimo.com/FIRS Tax Law Compendium.pdf](http://www.investinimo.com/FIRS_Tax_Law_Compodium.pdf)

COMPANIES INCOME TAX (CIT)

This is a tax chargeable on all resident and non-resident companies (other than those engaged in petroleum operations) incorporated in Nigeria. Also known as corporate tax, the CIT rate is 30% of the profit earned in the year preceding assessment.

Resident companies are liable to CIT on their worldwide income (profits accruing in, derived from, brought into, or received in Nigeria) while non-residents are subject to CIT on the income derived from their Nigerian operations. A non-resident company with a fixed base in Nigeria is taxable on the profits attributable to that fixed based. Any WHT deducted at source from its Nigeria-source income is available as offset against the CIT liability.

For more information see Company Income Tax Act

<http://www.investinimo.com/Company%20Income%20Tax%20Act.pdf>

PERSONAL INCOME TAX (PIT)

The Personal Income Tax is charged on the income of individuals, employees, partnerships and incorporated trustees on the basis of residency and payable to the State Government. The Act requires an employer to deduct and remit its employee income tax under the Pay-As-You-Earn (PAYE) scheme. As such, the employer is required to register with the respective State Board of Internal Revenue (SBIR) to which each employee's taxes are payable.

Personal income tax rate is applied on a graduated scale on taxable annual income. A Consolidated Relief Allowance shall be granted at a flat rate of N200,000 plus 20% of gross income subject to a minimum tax of 1% of gross income whichever is higher.

For more information see Personal income Tax Act

http://www.investinimo.com/Personal_Income_Tax_Act-2004.pdf

PETROLEUM PROFIT TAX

Petroleum Profit Tax is levied on the income of companies engaged in upstream petroleum operations in lieu of CIT. The rates vary as follows:

- 50% for petroleum operations under Production Sharing Contracts (PSC) with the Nigerian National Petroleum Corporation (NNPC).
- 65.75% for non-PSC operations, including joint ventures (JVs), in the first five years during which the company has not fully amortized all pre-production capitalized expenditure.
- 85% for non-PSC operations after the first five years.

Download document Petroleum Profit Tax Act [http://www.investinimo.com/PPTA%20\(1\).pdf](http://www.investinimo.com/PPTA%20(1).pdf)

TERTIARY EDUCATION TAX

All resident companies are required to contribute 2% of their assessable profits to the Tertiary Education Fund. This tax is usually filed alongside the relevant tax return (PPT or CIT). For companies subject to Petroleum Profit Tax, Tertiary Education Tax is treated as an allowable deduction. Non-resident companies and unincorporated entities are exempt from Tertiary Education Tax.

Relevant document **TETFund Act** <http://www.investinimo.com/TETFund%20Act.pdf>

VALUE-ADDED TAX

VAT is a consumption tax charged at 5% on the supply of taxable goods and services. All taxable persons are expected to obtain a VAT registration certificate, and display their Tax Identification (TIN) on all invoices. Oil and gas companies and government agencies are required to remit VAT on their purchases directly to the FIRS rather than pay it over to their vendors. A non-resident company carrying on business in Nigeria only needs to register for VAT using the address of its local counterparty and include the tax on its invoice. A Nigerian company is expected to remit the VAT directly to the FIRS rather than pay it over to a non-resident company.

Relevant document **Value Added Tax** <http://www.investinimo.com/VAT.pdf>

CAPITAL GAINS ACT

This is a 10% tax imposed on capital gains arising from a sale, exchange or other disposal of properties known as chargeable assets. Payable by corporate entities (including pioneer companies) and individuals, this tax is jointly administered by the FIRS and State Internal Revenue Services.

Relevant document Capital Gains Act

<http://www.investinimo.com/Capital%20Gains%20Tax%20Act.pdf>

WITHHOLDING TAX

This is an advance payment of income tax which is made on account of the ultimate income tax Liability of the taxpayers (individuals and companies). Withholding tax accruing from payments to companies is remitted to FIRS while payments from individuals should be remitted to SBIRs. The under-listed WHT rates are applicable to all resident and non-resident companies and individuals.

STAMP DUTIES

Stamp Duties are basically taxes paid to the State Government on documents (also known as instruments for the purpose of the Stamp Duties Act) such as Conveyances on Sale, Bills of Exchange, Promissory notes, Agreements, Contracts or even documents such as Letters and Certificates of Admission, Instruments of Apprenticeship, Insurance Policies etc. The payment of Stamp Duties is backed by legislation, the law being the Stamp Duties Act 1939 (as amended by numerous Acts and various resolutions and contained in Vol 22 Cap 411 LFN 1990). It also provides a list of documents in its Schedule and the duty payable on each of them.

For more information see Stamp Duties Act <http://www.investinimo.com/Stamp%20Duty%20Act.pdf>

TAX REGISTRATION PROCESS

ISIPA consultancy department will assist you complete this process.

However the first step to paying taxes for businesses in Nigeria is the registration of such a business. A free Taxpayer Identification Number (TIN) is automatically generated after registering the business, and this enables the business to start paying taxes.

- The TIN is been generated for all registered companies and enterprises. For new business owners, the TIN is generated automatically after incorporating the business.
- Registered businesses that have not obtained or have forgotten their TIN may visit the FIRS TIN Verification System to search for their TIN using their CAC Registration Number or Registered Phone Number. The corresponding business name and the assigned TIN and Tax Office will be displayed.
- Register to file and remit Value Added Tax (VAT) and Withholding Tax (WHT) at the nearest FIRS office. (See the list of FIRS offices in the link below). Note that VAT and WHT returns must be filed not later than the 21st day of the month following the month of transactions.
- File your Companies Income Tax (CIT) returns not later than six months after the end of the accounting year or 18 months after the commencement of business, whichever comes first.
- Register as a corporate entity with the Corporate Affairs Commission (CAC) See Getting Started.

TAX CLEARANCE CERTIFICATE

A Tax Clearance Certificate (TCC) is a document that certifies that a company or individual has settled the income taxes due for the three preceding years of assessment. A TCC is a prerequisite for official transactions conducted by a company in the public sector, such as when tendering for government contracts, when remitting foreign exchange through the banks, etc.

Company TCCs are issued by the FIRS; while individual TCCs are issued by the relevant State Board Internal Revenue (SBIR). FIRS issues TCC online. Companies need to apply to the relevant FIRS tax office to obtain a TCC.

PIONEER STATUS

Under Industrial Development (Income Tax) Relieve Act (IDITRA), companies engaged in industries/products approved as 'pioneer industries/products' shall be

- Granted income tax relief for a period of three years, which can be extended for a period of one year and thereafter another one year, or for one period of two years (Section 10(2)(a)(b) IDITRA)
- Exempted from paying tax on dividends paid by the pioneer company during the pioneer period to the extent that they are paid out of income exempted from tax (Section 17(3) IDITRA) and
- Any loss incurred during the tax relief period also deemed to be incurred on the first day following the expiration of the tax relief period and can be carried forward to offset profits after the tax-exempt period.

OPERATING A BUSINESS IN IMO

LABOUR MARKET

Imo State has an estimated population of about 5million people, who are generally enterprising and hospitable. The labour market is very flexible with highly skilled, low cost labour, highly motivated and productive workforce.

Imo labour market is highly educated, efficient, responsible, and healthy with the willingness to learn and commitment to making improvement - in both production and performance.

NATIONAL MINIMUM WAGE

The current national minimum wage is about 36,000 naira, about 100 United States dollars per month. An employer, defined as someone employing 50 or more persons, is required to pay the minimum wage, defined as the total emolument payable to a worker.

MINIMUM REQUIREMENT IN EMPLOYMENT CONTRACT

Rights are usually determined by the terms in the contract of employment. When a hire is made, the Nigerian Labour Act requires employers to provide an employment contract setting out the following:

The terms and condition of employment within three months of the commencement of employment;

- The name of the employer
- The undertaking by which the worker is employed
- Name, address, and date of hire of the worker
- Nature of the employment
- Date of expiration if the contract is for a fixed term
- Period of notice for termination with attention to section 11 of the Nigerian Labour Act
- Rate of wages, method of calculation, and frequency of pay
- Terms and conditions relating to hours, holidays, incapacity (including any provision for sick pay), and any special conditions in the contract.

Employers may use the first three months before providing the contract as a probationary period, and if spelled out in the contract time thereafter as well. With regards to contracts for a fixed term, contracts must be in writing, but otherwise there are no statutory limitations or restrictions on employment contracts for a fixed term.

In certain situations, an employer may desire to use independent contractors rather than hiring employees. Status as an independent contractor and vicarious liability for torts committed by an independent contractor is determined by the level of control exercised by the employer over the contractor.

WORKING HOURS

Normal hours of work are fixed by mutual agreement, or by collective bargaining, or by an industrial wages board where there is no machinery for collective bargaining.

REST HOURS, SICK LEAVE AND HOLIDAYS

If a worker is at work for more than 6 hours a day, he she must be given at least 1 hour of rest-interval in that day. Further, in every period of 7 days, a worker is entitled to at least 1 day of rest which must not be less than 24 consecutive hours.

Every worker is also entitled to 12 days' sick leave for temporary illness certified by a registered medical practitioner.

Every employee after 12 months of continuous service is entitled to a holiday with full pay of at least 6 working days or in the case of a person under the age of sixteen (16) years (including an apprentice), at least twelve (12) working days (this is exclusive of all the public holidays). An exception to the entitlement to a holiday after 12 month's continuous service is that such holiday can be deferred to a later date by agreement between the employee and employer provided that the holiday earning period shall not be increased beyond 24 months' continuous service.

All female employees are entitled to take up to 12 weeks of maternity leave with full pay. Of this period, six weeks must be taken after the birth. Women may start their leave at any time from six weeks before the expected date of birth, on producing a medical certificate issued by a registered medical practitioner stating that confinement will probably take place within six weeks. Nigerian labour Act does not recognize paternity leave and makes no such provisions.

DISCRIMINATION PROTECTION

There is a general prohibition of discrimination in employment on the grounds of ethnic group; place of origin; community; sex; religion; political opinion; and circumstances of birth.

SAFETY AND WELFARE OF EMPLOYEES

The factories Act places an obligation upon employers owners or occupiers of a factory to ensure the health, safety and welfare of employees within the factory. Thus, it is the duty of the employer to ensure the provisions of the factories Acts relating to cleanliness, overcrowding, ventilation, lighting, drainage and sanitary conveniences complied with.

Furthermore, the Act makes it the duty of the employer to provide a safe means of access and safe place of employment, sections 47 and 48 of the Act also make it mandatory for factory workers to be provided with protective clothing and appliances, where they are employed in any process involving excessive exposure to wet or to injurious or offensive substance. Similarly, where necessary, suitable gloves, footwear, goggles and head coverings should also be provided and maintained for use by the workers.

EXPATRIATE WORKERS

Employers must apply for an "expatriate quota." The quota allows a company to employ foreign nationals in specifically approved job designation as well as specifying the validity period of the designations provided on the quota.

There are two types of visas which may be granted, depending on the length of stay. for short term assignments, an employer must apply for and receive a temporary work permit, allowing the employee to carry out some specific tasks. The temporary work permit is a single-entry visa, and expires after three months. There are no numerical limitations on short-erm visas, and foreign

nationals who meets the conditions for grant of a visa may apply for as many short term visas as required.

For long-term assignments, the employer should apply for a "subject-to-regularization" visa (STR).

To apply for an STR, an employer must apply for and obtain an expatriate quota. The expatriate quota states positions in the company that will be occupied by expatriate staff. Upon arrival in Nigeria, the employee will need to validate his or her visa by applying for a work and residence permit.

Spouses of authorized workers may also work in Nigeria, provided they obtain a work and residence permit as well. Nigeria does not employ a labor market test, although the Nigerian Content Act does state that employers should exercise a preference for local employees.

REDUNDANCY

The Nigerian Labour Act defines redundancy as an involuntary and permanent loss of employment caused by excess manpower. The law in Nigeria recognizes the right of the employer to terminate the contract of employment of an employee on ground of redundancy. The labour Act specifically provides that in the event of redundancy:

- The employer is to inform the trade union or workers' representative concerned.
- The principle of "last in, first out" shall be adopted in the discharge of the particular category of workers affected, subject to all factors of relevant merit, including skill, ability and reliability.
- The employer is to use his best endeavours to negotiate redundancy payments to any discharged worker who are not protected under the Labour Act.

TERMINATION OF EMPLOYMENT

The Nigerian Labour Act provides the following as minimum notice periods for the termination of an employment contract:

- Where the employee has been employed for a period of 3 months or less, either party may terminate the contract with a minimum of 1-day notice.
- Where the employee has been employed for a period of 3 months but less than 2 years, either party may terminate the contract with a minimum of a 2-week notice.
- Where the employee has been employed for a period of 2 years but less than 5 years, either party may terminate the contract with a minimum of a 2-week notice.
- Where the employee has been employed for a period of 5 years or more, either party may terminate the contract with a minimum of 1-month notice.

When giving notice of termination of employment contract where the notice is 1 week or more, the notice must be in writing.

EMPLOYEE COMPENSATION SCHEME

The Employee Compensation Act (ECA) provides for adequate compensation for employees or their dependants in the event of death, injury, disease or disability arising out of, or in the course of employment. The Act is also intended to provide for safer working conditions for employees, by ensuring that all relevant stakeholders contribute to the prevention of occupational hazards and disabilities. To this end, employers are required to contribute 1% of their payroll costs to the National Social Insurance Trust Fund (NSITF) to cover employees from work-related accidents and death.

SOCIAL SECURITY AND OTHER CONTRIBUTIONS:

CONTRIBUTORY PENSION SCHEME

Under the Pension Reform Act of 2014, employers and employees are required to make a minimum contribution of 10% and 8% respectively of the employee's monthly emoluments to a Pension Fund Administrator chosen by the employee. In addition, an employer is also required to maintain a Group Life Insurance Policy for each employee for a minimum of three times the annual total emolument of the employee.

NATIONAL HOUSING FUND

The NHF seeks to facilitate the provision of houses to Nigerians at affordable prices. Employers are required to deduct 2.5% of employee's basic salary and remit same to the Federal Mortgage Bank of Nigeria within one month of such deduction.

HEALTH INSURANCE SCHEME

The National Health Insurance Scheme (NHIS) provides all employees access to affordable health care. Companies with a minimum of ten (10) staff are expected to provide health insurance for their staff and their dependants.

INDUSTRIAL TRAINING FUND

The ITF was established to promote the acquisition of skills in industry and commerce with a view to generating a pool of indigenous trained manpower sufficient to meet the needs of the economy.

Employers are required to contribute 1% of annual payroll costs to the ITF, if they

- Have five (5) or more employees or an annual turnover of ₦50million and above

- Bid for or solicit contracts, businesses, goods and services from public and private establishments
- Require approval for Expatriate Quota or
- Utilize Customs services for import and export.

However, the ITF Governing Council may refund of up to 50% of an employer’s contributions if he submits evidence of providing relevant training to his employees.

SUMMARY OF CONTRIBUTIONS

	Employer contribution	Employee Contribution
Pension Contribution	10% of employee’s salary	8% of salary
National Housing Fund	None	2.5% of basic salary
National Health Insurance Scheme	10% of employee’s basic salary	5% of basic salary
Industrial Training Fund	1% of annual payroll	None
Employee Compensation Scheme	1% of annual payroll	None

ECOWAS RESIDENCE CARD

Citizens of countries that are members of the Economic Community of West African States (ECOWAS) can reside and work in Nigeria without residence permits; they are however required to apply for the ECOWAS Residence Card within 90 days of their arrival in Nigeria.

TAXATION OF EXPATRIATES

An expatriate is liable to tax in Nigeria if his employment costs are recharged to a Nigerian company; or he is in Nigeria for up to 183 days in a year (including leave and temporary absence); or where he is not liable to tax in another country which has a double tax agreement with Nigeria.

PRODUCTION FACTOR

ELECTRICITY

The Nigerian Electricity Regulatory Commission (NERC) regulates the business of electricity generation, transmission, distribution and marketing in Nigeria.

Electricity is supplied directly to customers by the distribution companies (popularly called DisCos) which cover specific geographical areas as shown in the table below. There is also provision for licensing Independent Electricity Distribution Networks (IEDN) in addition to the DisCos.

The Multi-Year Tariff Order (MYTO) is the methodology adopted by NERC for setting electricity tariffs in Nigeria. It provides a 15-year tariff path with annual minor reviews, and major reviews every 5 years.

The Multi-Year Tariff Order (MYTO) is the methodology adopted by NERC for setting electricity tariffs in Nigeria. It provides a 15-year tariff path with annual minor reviews, and major reviews every 5 years.

Residential (R)

A customer who uses his premises exclusively as a residence. E.g. house, flat, or multi-storey house.

Commercial (C)

A customer who uses his premises for any purpose other than exclusively as a residence or as a factory for manufacturing goods.

Industrial (I)

A customer who uses his premises for manufacturing goods including welding and ironmongery.

Special (A)

Agriculture and agro-allied industries, water boards, religious houses, government and teaching, hospitals, government research institutes and educational establishments.

Street Lights (S) Street Lights

Enugu Distribution and District Company cover Imo state with an average tariff of 35 per Distribution Company.

OBTAINING ELECTRICITY

ISIPA consultancy department will assist you.

The procedure for obtaining electricity is as laid out below:

- The new consumer, through their licensed electrician, completes a new service application form requesting electricity supply from their distribution service centre. It is important for the

customer to provide accurate information on their appliances to enable the DisCo determine the appropriate type of meter supply (single or 3-phase).

- The DisCo conducts an installation inspection of the consumer's location to assess the electrical wiring, confirm the electricity load requirements and assign the appropriate customer class.
- The DisCo issues a list of required connection materials to the customer.
- The customer purchases the required connection materials and presents them to the DisCo Service Centre for quality validation.
- The Service Centre effects the connection at the customer premises within 48 hours, in addition to providing a meter and meter accessories.

The customer does not pay meter or installation costs as these are already covered by the electricity tariff.

WATER

Generally, especially in urban areas, boreholes are a major source of water for commercial and residential properties. However, the state government is working relentlessly with USAID to restore pipe born water to every home and office in the state.

TELECOMMUNICATIONS

There are four major GSM (Global System for Mobile communication) operators in Nigeria: Airtel, Globacom, MTN and 9mobile with a combined subscriber base of about 150 million. The launching of GSM in the country has significantly improved the country's domestic and international

telecommunication services. Fixed Wired and Wireless services are provided by MTN, Glo and 9-Mobile.

Under the current unified licensing regime, which was introduced by the Nigerian Communications Commission in 2006, there is no more segmentation of wireless licences into mobile and fixed service categories. On allocation of a spectrum, all licensees are free to offer voice, data or multimedia services as they deem fit. This harmonised platform has led to increased competition from all the telecommunication service operators in the country.

Each telecoms provider has an array of voice and data plans for customers to choose from. The number of internet users in Nigeria is about 90 million (or 53% of the population), which is the highest in Africa. Data services are provided by the afore-mentioned GSM operators, as well as several Internet Service Providers (ISP). Many of these offer fibre-optic services across the country, with 4G LTE available in Lagos, Ibadan, Abuja and Port Harcourt. Data plans vary by ISP, city, duration and choice of plan but monthly subscriptions start around \$5.60 (excluding the cost of the modem).

ROAD NETWORK

The government of Imo State recognizes the fact that there is a long term link between transportation and the State's economic productivity, growth and stability within the context of the government's commitment to sustainable development.

A massive rehabilitation and construction of roads, most especially the outer ring road is being undertaken by the government.

The outer ring road also known as the Imo freeway is a super-highway passing through the twenty seven (27) Local Government Area of the State.

AVIATION

Imo state has an International Cargo Airport in Owerri, and access to seaports of Portharcourt and Calabar. Our state offers a cost-competitive advantage for investors seeking out new growth opportunities in Nigeria and Africa at large.

LAND ADMINISTRATION

The Land Use Act of 1978 vests ownership of all urban land within a state in the State Governor who holds land in trust for the people and allocates same for residential, commercial, agricultural and other purposes. Similar powers with respect to rural (or non-urban) areas are vested in the Local Governments. This means the government becomes the lessor, responsible for granting leases.

There are two rights of occupancy: a statutory right of occupancy granted by the State Government and a customary right of occupancy granted by the Local Government. Leases are typically granted for 99 years, subject to review upon expiration. Title deeds/documents serve as documentary evidence of ownership and include:

(i) Certificate of Occupancy (C of O)

This is a title document issued by the President, Governor or Local Government Chairperson which contain the terms of lease and grant rights of occupancy to the holder for the leasehold term stipulated therein.

(iiI) Deed of assignment

This is a document of transfer of land from a seller to a buyer. It outlines the agreement between the person with the rights to a piece of land and the person to whom the rights are being transferred. It contains a detailed description of the land (including its ownership history), the agreed cost, and the date from which transfer takes effect.

(iii) Governor's Consent

This is a legal document authorizing the transfer of land from one person to another.

Land Acquisition

Require input from ministry of lands

Land Acquisition Procedure in Imo

Input from ministry of lands

Land Costs

Input from ministry of lands

Construction Permit Procedures

A building plan approval is necessary before construction can commence. Imo state ministry land, department or agency is responsible for issuing land permits.

Obtaining Construction Permit

Require input from relevant ministry (Ministry of Housing)

- Obtain the application form and a copy of the Development Control Guidelines
- Complete the form: Depending on the type of permit being requested, it may be necessary to consult the neighbours of the property in question, especially those that will be affected by the proposed construction.
- Submit the application alongside the following documents:
 1. Evidence of rights over the land (Right of occupancy, Certificate of occupancy, Title Deed Plan and fulfillment of financial obligations).
 2. A site plan and detailed site analysis report certificate by a registered town planner.
 3. Environmental Impact Analysis (EIA) Report for commercial, industrial, public building, recreational, large scale residential development, change of use of plot or on existing buildings and any other land use as may be deemed necessary, prepared and authenticated by a registered town planner.
 4. All application in respect of Special Development such as Petrol Filling Station, Water Supply, drilling/Outlets, private health and educational facilities, child welfare related developments etc. shall be accompanied by letters/license of the relevant regulatory body

5. On assessment/verification of content of application, appropriate acknowledgment letter shall be issued to the applicant by the DODC, alongside bills for processing application.
6. Applicants must pay full processing fee within two (2) weeks of receipt of acknowledgment and bill before the permit is processed.

LEGAL FRAMEWORK

INTRODUCTION TO THE IMO LEGAL SYSTEM AND FOREIGN INVESTMENT

Imo State has a well-developed legal system that is based on English Common Law, its constitution is patterned after the character of the United States of America. Business transactions in Imo are governed by the Common Law.

LAW COURTS IN NIGERIA

- The Supreme Court is the highest court in Nigeria with original and appellate jurisdiction in certain constitutional, civil and criminal matters prescribed in the Constitution.
- The Court of Appeal hears appeals from the National Industrial Court, Federal and State High Courts and Customary Courts of Appeal.
- The Federal High Court has jurisdiction in matters connected with the revenue, admiralty, banking, foreign exchange and other currency and monetary or fiscal matters.

- The State High Court has jurisdiction to hear and determine both civil and criminal proceedings.
- The National Industrial Court has jurisdiction in labour and industrial relations matters.
- Customary Courts of Appeal exercise jurisdiction in civil proceedings on customary law.
- Magistrates' Courts, District Courts, Area Courts and Customary Courts all have original jurisdiction in civil and criminal matters.

REGULATORY FRAMEWORK

Require input from the relevant ministry

Imo state in the bid to boost foreign investment employs laws and regulatory bodies as

1. Companies and Allied Matters Act Cap C20, LFN, 2004. (CAMA) sets out the role of the Corporate Affairs Commission (CAC). It regulates the incorporation of companies, business names, incorporated trustees and other incidental matters. Except where a foreign entity is exempt from registration and granted exemption status by the CAC, registration is a requirement for doing business in Nigeria. A foreign company may be granted exemption status from company registration by the CAC if:
 - a. it is invited into Imo by or with the approval of the State Government for a specified project or
 - b. Where it is in Imo for an individual project on behalf of a donor country or international organization or

- c. It is engaged solely in export promotion activities or the foreign company contains technical and engineering consultants executing a specific project.
2. Imo State Investment Promotion Agency (ISIPA) established by law in 2010 to facilitate, coordinate, grow and monitor all investments in the state economy with special focus on making the economy private sector driven. ISIPA has set up its “One-Stop-Centre” making it possible for investors to access all relevant information, documents and statutory approvals that are needed to set up an investment project in Imo. A foreign investor is required to register with ISIPA prior to operating in the State.

The ISIPA Act also sets out a “negative list” that prohibits private investment (domestic and foreign) in production of arms, ammunition, paramilitary wares and accoutrements as well as the production of and dealing in narcotic drugs and psychotropic substances.

3. The Securities and Exchange Commission (SEC) established by ISA as the key regulatory authority for capital markets in Nigeria. It places the duty on directors to ensure the integrity of a company's financial controls and reporting.

COMPANY LAW

The most common corporate form in Imo is the limited liability company, registered by the CAC and regulated by the provisions of the CAMA. Once a limited liability company is incorporated, it will have a legal personality separate and distinct from its shareholders.

A key feature of the limited liability company is that its assets and liabilities are separate from those of its shareholders (whose interest is limited to the shares held in the company and the rights such as

dividends flowing there from). The liability of a shareholder in relation to a limited liability company is limited to the cost of the shares subscribed to by such shareholder.

A limited liability company may be set up at the CAC within five business days.

INCORPORATION FORMALITIES FOR A LIMITED LIABILITY COMPANY

The procedure for incorporating a limited liability company is as follows:

1. Securing a name – a person seeking to incorporate a company at the CAC will, as a first step, need to apply for and reserve a name for the company. There are restrictions on the type of name that may be reserved (the CAC will not approve any name that is similar to the name of an existing company or contains certain prohibited words). An approved name is reserved for the applicant's use for a period of 60 days (this is extendable) within which the incorporation must be completed.
2. The subscribers are required to prepare the necessary documentations such as Memorandum and Articles of Association and complete all other relevant forms and pay the appropriate fees for a company to be registered.
3. Fees – the registration cost comprises stamp duty registration fee and other miscellaneous costs for example, the cost of incorporating a company with a share capital of one million Naira (NGN) is approximately NGN20,000.

REPATRIATION OF FUNDS BY INVESTORS

The ISIPA Act provides for Investment guarantees, transfer of capital, profits and dividends. Where funds have been imported for the purpose of investment in a lawful enterprise, a foreign investor is

guaranteed unconditional transferability or repatriation of their profits, dividends, payments in respect of loan servicing where a foreign loan has been obtained, proceeds (net of all taxes), and other obligations in the event of a sale or liquidation of the enterprise or any interest attributable to the investment through an authorised dealer, in freely convertible currency.

In addition, the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act 1995 (Forex Act) provides that no foreign currency imported into Nigeria will be seized, forfeited or expropriated by the government save where such transactions relate to goods or services which are prohibited under Nigerian Law.

Investments made in foreign currency must be imported through an authorised dealer and converted into Naira at the official exchange rate. The authorised dealer subsequently issues a Certificate of Capital Importation to the investor as evidence of the capital importation. This is to guarantee shareholders and investors the unconditional transfer or repatriation of their profits, dividends, etc. which are attributable to their investment.

PROTECTION OF PROPERTY

The ISIPA Act guarantees ownership and protects against the threat of nationalisation or compulsory acquisition of a foreign investor's interests by the government. Should a need arise for compulsory acquisition, the law makes provision for payment of fair and adequate compensation and a right of access to the courts for the determination of the investor's interest or right and the amount of compensation to which he is entitled.

TRANSFER OF TECHNOLOGY

The transfer of technology in Nigeria is governed by the National Office for Technology Acquisition and Promotion Act 2004, which established the National Office for Technology Acquisition and Promotion (NOTAP). The principal function of NOTAP is to encourage a more efficient process for the identification and selection of foreign technology.

TAX INCENTIVES

The state government has put in place several tax incentives to encourage and attract foreign investors. Tax relief is available to companies operating in pioneer industries or producing pioneer products. Such companies can enjoy an income tax holiday of up to seven years. In addition to income tax holidays, pioneer companies enjoy other benefits. Companies operating in Tax Free Zones and Export Processing Zones are exempt from tax obligations in Nigeria for operations carried out in the zones provided that all the companies' activities are performed exclusively within the zone. Further, tax relief/exemptions are available in respect of interest on loans obtained to do business or invest in Nigeria. Other tax incentives relating to VAT, petroleum tax, and company income tax are covered in more detail in later Chapter.

IMMIGRATION REGULATIONS

The Immigration Act 2015 was enacted to make easier to do business in Nigeria and to align Nigerian laws with international standards with respect to employment, administration, deportation etc. In the main there are 4 types of visas applicable for non-residents visiting for work purposes.

The first is the Business Visa which is issued to allow an investor to attend meetings in the country.

3 months. The third is Expatriate Quota, this allows companies to employ expatriates and the company must apply for and be granted the quota of expatriates that may be employed by that organisation. Employees will be considered as residents for tax purposes. Finally, there is the Combined Expatriate

Residence Permit and Aliens Card (CERPAC) which permits non-residents to reside and work in Nigeria. This permit is valid for 3 years and it is renewable.

Following an Executive Order in 2017, the Government has now adopted a policy of "visa on arrival".

This is a class of short visit visa issued at the port of entry. The facility is available to frequently travelled High Net Worth Investors and Intending Visitors who may not be able to obtain visa at the Nigerian Missions/Embassies in their countries of residence due to the absence of a Nigerian those countries or exigencies of urgent business travels. There is further information on the Nigerian Immigration Service website.