



CAC MANDATES THE ISSUANCE OF ALL UNISSUED SHARES IN COMPANIES TO BE ISSUED ON OR BEFORE JUNE 30, 2021

In line with the mandate of the Corporate Affairs Commission (“CAC”) to administer the existing company’s law the Commission released the Companies Regulation 2021 (“the Regulations”), in January 2021. The Regulation was released in furtherance to the passage of the Companies and Allied Matters Act, 2020 (“CAMA 2020”). The CAMA 2020, contains significant changes to the general corporate and governance landscape in Nigeria. One of the key changes in CAMA 2020 is the abolition of Authorised Share Capital (whilst retaining issued share capital). The new law defines the share capital of a company as its Issued Share Capital.

Following from the above, Regulation No. 13 of the Regulations provides that companies with unissued shares in its share capital must issue the same on or before June 30, 2021. This Regulation was made pursuant to section 124 of CAMA 2020 which provides that companies with unissued shares less than the minimum issued share capital must issue the same within 6 months of the commencement of the Act. In addition, CAC has explained that reference to the share capital of a company is to its issued share capital, thus the introduction of Regulation 13.

In the light of the provision of Regulation 13, companies with unissued shares in its share capital can explore one of the two available options.

- Issue the shares as stipulated under the Regulations.
- Alternatively, where a company is unable to comply with the Regulation 13, such entity can reduce its share capital by the number of unissued shares in its share capital.

CAC has also indicated its intention to allow for an extension in the compliance timeframe for up to 2 years. This extension would be granted on a case-by-case basis and CAC is expected to issue a public notice to this effect soon.

Our Corporate Advisory Team is available to assist companies navigate the various legal options available to both public and private companies to achieve compliance with the law and engage with CAC and other regulatory agencies.

For further inquiries and assistance, please contact:



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