

REGULATORY NEWSLETTER**CORPORATE AFFAIRS COMMISSION: FULL APPLICATION OF PENALTIES FOR FAILURE TO FILE ANNUAL RETURNS BY COMPANIES AND RECOVERY OF PENALTIES AGAINST COMPANY DIRECTORS AND OFFICERS**CORPORATE AFFAIRS
COMMISSION

On the 2nd of November 2023, the Corporate Affairs Commission ('CAC') issued a circular notifying Companies of the statutory requirement to file annual return every financial year. The circular was prompted by the fact that several Companies are non-compliant with the statutory requirement to file annual returns.

According to the circular, the Commission intends to implement with effect from 1st January 2024, the penalties stipulated in the Company's Regulations 2021 against a Company and each of its Directors and Officers for failure to file annual returns as at when due. In line with the Companies Regulations and the Official Schedule of Fees, Penalties levied on Directors and Officers of a Company are calculated as daily penalties which predictably will be a stiffer form of penalty. Previously, penalty for late filing of annual return was a flat-fee.

The Commission has also stated that Directors and Officers of Struck Off and Wound-Up Companies would be mandated to settle undischarged penalties levied against them.

Companies are advised to file up-to-date annual returns before the Implementation timeline of January 1, 2024, to avert penalties.

For further information, kindly reach the key contact below:

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