



## **Review Of Nigerian Investment Promotion Commission (NIPC) Service Fees.**




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The Nigerian Investment Promotion Commission (NIPC) issued a circular introducing revised service fees for processing applications, effective October 1st 2024. The updated fee schedule covers business registration and Pioneer Status Incentive applications. A notable introduction is the new fee obligations such as replacement fees, annual renewal application fees and default penalties for abandonment of pioneer status incentive applications.





# Business

## BUSINESS REGISTRATION

Foreign Companies that intend to carry on business in Nigeria must register their business with NIPC and obtain a certificate of business registration to that effect. This business registration allows foreigners to own up to 100% equity and invest in any business in Nigeria.

**Application Fee:** The application fee for NIPC business registration has been reviewed from N15,000 (Fifteen Thousand Naira) to N150,000 (One Hundred and Fifty Thousand Naira).

**Annual Renewal Fee:** Companies with the certificate of business registration are now expected to renew their certificates annually with a renewal cost of N50,000 (Fifty Thousand Naira).

**Replacement Fee:** A significant introduction by NIPC is the replacement fee in the sum of N100,000 (One Hundred Thousand Naira), and it is charged on requests to replace certificates that have already been issued by NIPC.



# PIONEER STATUS INCENTIVE

The Pioneer Status incentive is an initiative which aims to attract investments and boost economic growth. This incentive is a tax holiday granted to qualifying companies to relieve them of the payment of Companies Income Tax (CIT) for up to 5 years, an initial period of 3 years and renewed up to an additional 2 years.

**New Application Fee:** New application fee for pioneer status incentive has been increased from N250,000 (Two Hundred and Fifty Thousand Naira) to N500,000 (Five Hundred Thousand Naira).

**Extension Application Fee:** The application fee for extension of the pioneer status incentive was increased from N100,000 (One Hundred Thousand Naira) to N250,000 (Two Hundred and Fifty Thousand Naira).

**Service Charge:** NIPC reviewed the service charge (the initial and annual fee). The service charge was increased from N2,500,000 (Two Million, Five Hundred Thousand Naira) to N3,000,000 (Three Million Naira) while the annual service charge increased to 1.5% from the previous 1% of the actual pioneer profit.



**Due Diligence Fee:** Applicants are now required to pay N1,000,000 (One Million Naira) for due diligence, which is an 100% increase from the previous sum of N500,000 (Five Hundred Thousand Naira) and it must be paid before submitting Part 1 of the pioneer status application form.

## DEFAULT PENALTY FOR ABANDONMENT OF NEW AND EXTENSION APPLICATION OF PIONEER STATUS INCENTIVE

NIPC also introduced default penalty for application of pioneer status incentive abandoned by way of redundancy in processing. An application will be deemed abandoned if there is no activity on the application for a period of 90 days. The default penalty is N200,000 (Two Hundred Thousand Naira) for new application for pioneer status incentive and N100,000 (One Hundred Thousand Naira) for extension application.

All stakeholders are enjoined to take note of this new fee schedule, particularly companies that are required to renew their certificate of business registration.



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