

NEE0012
STATUTORY AGENCIES IN BUSINESS AND BUSINESS
REGISTRATION

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Unit I Introduction to Business Regulation

Unit Structure

- I.1 Introduction
- I.2 Intended Learning Outcomes
- I.3 What is Business Regulation?
- I.4 Summary
- I.5 References/Further Readings/Web Resources
- I.6 Possible Answer to Self-Assessment Exercise(s)



I.1 Introduction

Without order there will be chaos and this is especially true for business activities that thrive on competition and driven by profit and loss. Business regulation is the administrative procedures in which business owners have to relate with external entities, both governmental and non-governmental for the guidance and conformity in line with certain ethics. This is necessary to protect health and safety of citizens, workplaces, the environment.



I.2 Intended Learning Outcomes

By the end of this unit, you will be able to:

- explain the idea of Business Regulation.
- analyze why we need to regulate businesses.
- explore critically the elements of business regulations.



I.3 What is Business Regulation?

Before delving into the concept of business regulation, it is important that we understand that business itself means all form of human endeavor that is directed at wealth creation for the person(s) involved in it. It usually involves the employment of certain means, actions, time, before there can be any form of returns.

Business regulation can be said to be the administrative procedures through which entrepreneurs interact with external entities, including government agencies at various levels, lawyers, auditors, banks, and so

on. This process is designed to guide business in their operations to behave within certain norms and follow some business ethics.

The Need to Regulate Businesses

Government regulates business for various reasons through their agencies. The major reasons are:

1. for the protection of Customers
2. for the protection of Business and
3. for the collection of Tax.

Regulation ensure that businesses treat customers fairly with regards to pricing and product. It also ensures small businesses levelling the playing fields, give loans, and protect patents. Regulation also helps government to collect much needed tax to help it to run

What are the Elements of Business Regulations?

There are six major types of business regulations:

- i. Taxes
- ii. Labour
- iii. Quality and health
- iv. Environmental regulations
- v. Licenses
- vi. Advertising

Elements of business regulations involves:

- standards
- rules
- law
- policies
- compliance and others

Self-Assessment Exercise(s)

1. Who is businesses regulation?
2. Why must we regulate business?



1.4 Summary

While the essence of going into business is to make profit, this process must be regulated to ensure that all elements of society involved are not harmed in one way or the other. This is where the idea of business regulation comes into the picture. With adequate regulations, business and their owners would become more or less become monstrous and counter-productive to society in the long term.



1.5 References/Further Readings/Web Resources

World Bank Group, (2006). Reforming Business Registration Regulatory Procedures at the National Level.
<https://documents1.worldbank.org/curated/en/526901468763507267/pdf/391120Business%20RegistrationToolkit01PUBLIC1.pdf>.



1.6 Possible Answers to Self-Assessment Exercise(s)

1. Business regulation is the process through which the activities of entrepreneurs are regulated in the money making process. This is usually carried out with external entities, including government agencies at various levels, lawyers, auditors, banks, and so on. The process guide business in their operations to behave within certain norms and follow some business ethics.
2. Businesses must be regulated for the following reasons: i. For the protection of Customers; ii. For the protection of Business; and iii. For the collection of Tax.

Unit 2 Regulatory Agencies and Bodies in Business

Unit Structure

- 2.1 Introduction
- 2.2 Intended Learning Outcomes
- 2.3 Major Business Regulatory Agencies in Nigeria?
- 2.4 Summary
- 2.5 References/Further Readings/Web Resources
- 2.6 Possible Answer to Self-Assessment Exercise(s)



2.1 Introduction

Regulatory agencies play critical role in ensuring businesses conform with laid down rules in the process of generation of revenues. They also ensure that there is a level playing field for business owners and ensure businesses play critical role in building society and in the preservation of the environment at large.



2.2 Intended Learning Outcomes

By the end of this unit, you will be able to:

- analyse the major regulatory agencies in Business in Nigeria; and
- uncover the functions of agencies involved in business regulation.



2.3 Major Business Regulatory Agencies in Nigeria?

In Nigeria, a number of agencies play crucial roles in overseeing and regulating various aspects of business and public life.

They include:

- i. Corporate Affairs Commission (CAC)
- ii. Federal Inland Revenue Service (FIRS)
- iii. National Agency for Food and Drug Administration and Control (NAFDAC)
- iv. Central Bank of Nigeria (CBN)
- v. National Environmental Standards and Regulations Enforcement Agency (NESREA)
- vi. Nigerian Communications Commission (NCC)

- vii. Securities and Exchange Commission (SEC)
- viii. Standards Organization of Nigeria (SON)
- ix. Nigerian Investment Promotion Commission (NIPC) and
- x. National Agency for Prohibition of Trafficking in Persons (NAPTIP)

What are the functions of these agencies with regards to specific business areas?

1. **Corporate Affairs Commission (CAC)**
 - **Role:** The CAC is responsible for business registration, the regulation of companies, and ensuring compliance with the Companies and Allied Matters Act. It also maintains the business registry and handles company name reservations.
2. **Federal Inland Revenue Service (FIRS)**
 - **Role:** FIRS oversees taxation in Nigeria. Its responsibilities include tax assessment, collection, and enforcement. It sets and enforces tax policies to ensure individuals and businesses meet their tax obligations.
3. **National Agency for Food and Drug Administration and Control (NAFDAC)**
 - **Role:** NAFDAC regulates and controls the manufacture, importation, exportation, distribution, advertisement, sale, and use of food, drugs, cosmetics, medical devices, and chemicals to ensure their safety and quality.
4. **Central Bank of Nigeria (CBN)**
 - **Role:** CBN is the country's central banking authority. It formulates and implements monetary and exchange rate policies, regulates the banking sector, and ensures the stability and integrity of the financial system.
5. **National Environmental Standards and Regulations Enforcement Agency (NESREA)**
 - **Role:** NESREA enforces environmental laws, regulations, and standards in Nigeria. It aims to protect and preserve the environment by regulating pollution, waste management, and environmental impact assessments.
6. **Nigerian Communications Commission (NCC)**
 - **Role:** NCC regulates the telecommunications industry, ensuring that telecommunications services are of high quality, affordable, and accessible to all Nigerians. It also allocates and manages spectrum resources.

7. **Securities and Exchange Commission (SEC)**
 - **Role:** SEC regulates the Nigerian capital market. Its responsibilities include overseeing the issuance and trading of securities, protecting investors, and maintaining market integrity.
8. **Standards Organization of Nigeria (SON)**
 - **Role:** SON develops and maintains national standards for products and services. It ensures quality control, promotes standards adoption, and certifies products that meet established quality criteria.
9. **Nigerian Investment Promotion Commission (NIPC)**
 - **Role:** NIPC promotes and facilitates investments in Nigeria. It provides information, incentives, and support to attract local and foreign investments to various sectors of the economy.
10. **National Agency for Prohibition of Trafficking in Persons (NAPTIP)**
 - **Role:** NAPTIP combats human trafficking in Nigeria. It investigates and prosecutes trafficking-related cases, provides support to victims, and raises awareness to prevent human trafficking.

Self-Assessment Exercise(s)

1. Why are regulatory agencies important in the Nigerian society?
2. Outline five of major regulatory agencies in Business in Nigeria.



2.4 Summary

In this unit, units that help regulate businesses in Nigeria have been itemised and discussed. It is important to note that there are regulations even at the state and local government level. Similarly, different groups or businesses also have their internal regulatory mechanisms to ensure that business owner comply with state regulation and also play along the rules created by the business themselves. These internal organs also serve to protect themselves as well.



2.5 References/Further Readings/Web Resources

Paul Olojede, Francis Iyoha, Ben-Caleb Egbide and Olayinka Erin (2020). Regulatory agencies and creative accounting practices in Nigeria. Problems and Perspectives in Management, 18(3), 465-478. https://www.researchgate.net/publication/344659727_Regulatory_agencies_and_creative_accounting_practices_in_Nigeria_Problems_and_Perspectives_in_Management.



2.6 Possible Answers to Self-Assessment Exercise(s)

1. Regulatory agencies are important in the Nigerian society play critical role in ensuring businesses conform with laid down rules in the process of generation of revenues. Additionally, they ensure all business have a relatively level playing field for business owners and ensure businesses play critical role in building society and in the preservation of the environment at large.
2. Five major players in regulating businesses in Nigeria are: i. Corporate Affairs Commission (CAC): ii. Federal Inland Revenue Service (FIRS): iii. National Agency for Food and Drug Administration and Control (NAFDAC): iv. Central Bank of Nigeria (CBN): v. Standards Organization of Nigeria (SON).

Unit 3 Choosing a Business Structure

Unit Structure

- 3.1 Introduction
- 3.2 Intended Learning Outcomes
- 3.3 What is a Business Structure?
- 3.4 Summary
- 3.5 References/Further Readings/Web Resources
- 3.6 Possible Answer to Self-Assessment Exercise(s)



3.1 Introduction

Entrepreneurs choose a business structure based on several factors, including their business goals, ownership pReferences/Further Readings/Web Resources, liability considerations, and tax implications.



3.2 Intended Learning Outcomes

By the end of this unit, you will be able to:

- explain the idea and need of a business structure
- demonstrate their choice of business structure.



3.3 What is a Business Structure?

A business structure is a category of organization that is legally recognized in a given jurisdiction and characterized by the legal definition of that particular category. Choice of business structure influences day-to-day operations: Taxes, ability to raise money, personal assets to risk (Liabilities) and paper work. Choose carefully. Protections and benefits are at stake. Business structure must be chosen before you register your business.

Why the Choice of Business Structure is Important?

This can be easily adjudged from the comparative business structures as seen below:



<http://tinyurl.com/yvavbys4>

What are the steps to choosing a business structure?

Here are the common steps entrepreneurs can follow to select a business structure:

1. **Understand the Types of Business Structures**
Learn about the various business structures available, such as sole proprietorship, partnership, limited liability company (LLC), corporation (including S corporation and C corporation), and cooperative. Each structure has its own characteristics, advantages, and disadvantages.
2. **Clarify Business Goals**
Define your business objectives and long-term plans. Consider factors like growth, ownership, and your role in the business.

3. Assess Liability and Risk

Evaluate the level of personal liability you are willing to assume. Some structures, like sole proprietorships and general partnerships, offer less liability protection, while LLCs and corporations provide more protection.

- 4. Consider Ownership and Management**
Determine how many owners or partners will be involved in the business. Different structures accommodate various ownership and management arrangements.
- 5. Evaluate Tax Implications**
Understand the tax consequences associated with each structure. For example, sole proprietorships and LLCs often offer pass-through taxation, while corporations may be subject to double taxation.
- 6. Comply with Regulatory Requirements**
Research the legal and regulatory requirements for each structure in your jurisdiction. Consider factors like business registration, licenses, and reporting obligations.
- 7. Consult Legal and Financial Professionals**
Seek advice from legal and financial professionals, such as attorneys and accountants, to help you make an informed decision. They can provide valuable insights into the legal and financial implications of your choice.
- 8. Compare Costs and Administrative Burden**
Consider the cost of setting up and maintaining the chosen business structure. Some structures require more paperwork and ongoing compliance than others.
- 9. Think About Funding and Investment**
If you plan to seek outside investors or secure financing, certain structures may be more appealing to investors due to their corporate governance and ownership options.
- 10. Select the Appropriate Structure**
After careful consideration, choose the business structure that aligns with your goals, preferences, and circumstances.
- 11. Register Your Business**
Once you've selected a business structure, complete the necessary registration and licensing procedures with the appropriate government agencies.

Self-Assessment Exercise(s)

- I. State your preferred business structure and explain why you have chosen such a structure?



3.4 Summary

Selecting the right business structure is a crucial step for entrepreneurs as it lays the foundation for their operations, legal liabilities, and financial

obligations. By carefully considering factors such as business goals, liability and risk, ownership and management, tax implications, regulatory requirements, professional advice, costs, funding options, and ultimately making an informed decision, entrepreneurs can set themselves up for success. It's important to remember that the chosen business structure is not set in stone and can be adjusted as the business grows and evolves. With thorough research, planning, and professional guidance, entrepreneurs can navigate the complexities of business structures and choose the one that best suits their unique circumstances and goals.



3.5 References/Further Readings/Web Resources

Williams, C. et. al. (2000). Selecting a Business Structure an Informational Guide to Forming Businesses.
<https://www.agmanager.info/sites/default/files/Business3.pdf>.



3.6 Possible Answers to Self-Assessment Exercise(s)

My preferred business structure is a limited liability company (LLC). I have chosen this structure because it offers a blend of benefits that align with my business goals and references. Firstly, an LLC provides personal liability protection, separating my personal assets from the business's liabilities, which is crucial for safeguarding my personal finances. Secondly, an LLC offers flexibility in management and operations, allowing me to structure the business according to my specific needs and references. Additionally, an LLC allows pass-through taxation, avoiding the double taxation associated with corporations, which is advantageous for minimizing tax obligations.

Unit 4 Business Registration Procedure

Unit Structure

- 4.1 Introduction
- 4.2 Intended Learning Outcomes
- 4.3 Business Idea and Business Name Selection Practices
- 4.4 Summary
- 4.5 References/Further Readings/Web Resources
- 4.6 Possible Answer to Self-Assessment Exercise(s)



4.1 Introduction

The objective of training carried out in this course is to be able to practically do business in Nigeria. In order to do this successfully, this unit is an essential, if not the most essential process. For this unit therefore, the process of selecting a proper and fitting business name, the registration process and types of business licenses will be dealt with.



4.2 Intended Learning Outcomes

By the end of this unit, you will be able to:

- explore the processes of business idea and business names selection practices
- register a business in Nigeria
- demonstrate practical knowledge on the various types of business licences in Nigeria.



4.3 Business Idea and Business Name Selection Practices

What's in a name?

Every entrepreneur is usually bothered from start with the question of: How do I come up with a great brand name?

Great companies used unique names like Greek goddess (e.g. Nike). Some use what their business specializes in (Toys 'R' Us, BET9ja, Shoprite.) It could be an elusive meaning like Apple.

A company name is your FISRT introduction. It is your reference and advertisement. Some company names are so good that they have become GENERIC or more or less, BRAND names, E.g. paracetamol, macleans, omo, Maggi, Gala, indomie, etc.

Registering a Business in Nigeria

Registering a business in Nigeria involves several steps and requires compliance with the country's legal and regulatory framework. The specific procedure can vary depending on the type of business structure you choose.

Here's a general overview of the business registration procedure in Nigeria:

1. **Business Idea and Name Selection:** Start with a clear business idea and choose a unique and available name for your business.
2. **Choose a Business Structure:** Determine the legal structure of your business, which affects the registration process.
3. **Business Name Availability Check:** Verify that your chosen business name is available for registration through the Corporate Affairs Commission (CAC).
4. **Prepare Business Documentation:** Depending on your chosen structure, prepare the necessary documentation, such as articles of incorporation and memorandum of association for corporations.
5. **Register with the Corporate Affairs Commission (CAC):** Submit your registration documents to the CAC, the responsible authority for business registration in Nigeria.
6. **Obtain a Business Registration Certificate:** Upon successful registration, receive the Business Registration Certificate, which is crucial for legal operations.

Types of Business Licences

Business licenses are specific permits or approvals that grant individuals or entities the legal authority to operate a business in a particular jurisdiction. The types of business licenses required can vary depending on the type of business, location, and the specific activities involved. Here are some common types of business licenses:

1. **Business Registration License**
 - A general license that grants the legal authority to operate a business in a specific jurisdiction.
 - Ensures the business is registered with the appropriate government authority.

2. Professional License

- Required for licensed professionals in specific fields, such as doctors, lawyers, accountants, and engineers.
- Ensures that professionals are authorized to practice in their respective disciplines.

3. Food Service and Restaurant License

- Necessary for businesses involved in preparing and selling food, such as restaurants, food trucks, and catering services.
- Ensures compliance with health and safety regulations related to food preparation and service.

4. Retail License

- Essential for businesses engaged in selling goods directly to consumers, such as retail stores, boutiques, and e-commerce businesses.
- Regulates retail operations and ensures compliance with local consumer protection laws.

Self-Assessment Exercise(s)

- I. What is the process of registering a business name in Nigeria?

**4.4 Summary**

In this unit, the importance of choosing a viable business name, selecting a fitting business structure and finally registering the business with CAC has been articulated. Ultimately, it is important to go through the process of registering the business for the protection of owners and for smooth functioning of the business.

**4.5 References/Further Readings/Web Resources**

Agboola, I. (2016). Easy Read: Registration of Businesses in Nigeria. SSRN Electronic Journal.
https://www.researchgate.net/publication/315647726_Easy_Read_Registration_of_Businesses_in_Nigeria/citations.



4.6 Possible Answers to Self-Assessment Exercise(s)

The practical process of registering a business name in Nigeria involves the following:

- i. Business Idea and Name Selection;
- ii. Choose a Business Structure: Determine the legal structure of your business, which affects the registration process;
- iii. Business Name Availability Check: Verify that your chosen business name is available for registration through the Corporate Affairs Commission (CAC);
- iv. Prepare Business Documentation: Depending on your chosen structure, prepare the necessary documentation, such as articles of incorporation and memorandum of association for corporations;
- v. Register with the Corporate Affairs Commission (CAC): Submit your registration documents to the CAC, the responsible authority for business registration in Nigeria;
- vi. Obtain a Business Registration Certificate: Upon successful registration, receive the Business Registration Certificate, which is crucial for legal operations.

Unit 5 Choosing a Location for Business

Unit Structure

- 5.1 Introduction
- 5.2 Intended Learning Outcomes
- 5.3 Why Business Location is Important?
- 5.4 Summary
- 5.5 References/Further Readings/Web Resources
- 5.6 Possible Answer to Self-Assessment Exercise(s)



5.1 Introduction

We must agree that every process an entrepreneur must go through in setting up a viable business is important. However, if after doing every thing right and the business location is not right, then the whole aim has been defeated. In this unit therefore, we will examine the various considerations to be made while choosing a business location.



5.2 Intended Learning Outcomes

By the end of this unit, you will be able to:

- explain the need for a fitting business location; and
- analyze strategies to consider when choosing a location for your business.



5.3 Why Business Location Is Important?

Selecting the right location for your business is a critical decision that can significantly impact your success. As Indarti (2004. P. 172) noted, “location selection is one of the business decisions that must be made carefully. No matter the nature of the proposed business, the entrepreneur must consider access to power, raw material, customers, effect/benefits of competition, security and so on.

These conditions and more must be carefully considered before monies are spent on getting a location or paying for a site. In today’s business environment, online presence must be considered in setting up a business. This include using social media platforms and even hosting a website.

Strategies to Consider When Choosing a Location for Your Business

Selecting the right location for your business is a critical decision that can significantly impact your success. Here are some strategies to consider when choosing a location for your business:

1. **Market Research:** Understand your target market and identify locations with a strong demand for your products or services. Consider factors like demographics, preferences/Further Readings/Web Resources, and buying behaviours of your potential customers.
2. **Proximity to Target Market:** Choose a location that is close to your target audience to make it convenient for customers to access your business. Proximity can lead to increased foot traffic and customer loyalty.
3. **Cost Considerations:** Keep your overhead costs in check by selecting an affordable location that aligns with your budget. Consider not only the initial expenses but also ongoing operating costs.
4. **Accessibility:** Prioritize locations with easy access to transportation, highways, and public transit to ensure customers and employees can reach your business conveniently.
5. **Startup Ecosystem:** Consider locations with a thriving startup ecosystem, co-working spaces, and business support resource that can provide networking opportunities and assistance for young entrepreneurs.

Self-Assessment Exercise(s)

1. What are the benefits of online presence and how do you think it can benefit your own business?



5.4 Summary

As has been discussed in the sections above, a good location is essential for the growth and success of any business. Ideally, the business location should provide the least risk, essentially low operational costs, and access to customer and raw materials for those who need it. It must also provide the required market. These are all conditions that can help the business grow.



5.5 References/Further Readings/Web Resources

Indarti, N. (2004). Business Location and Success: The Case of Internet Café Business in Indonesia *Gadjah Mada International Journal of Business May*, Vol. 6, No. 2, pp. 171—192.



5.6 Possible Answers to Self-Assessment Exercise(s)

An online presence provides businesses with numerous benefits that significantly impact their success. Firstly, it extends their reach beyond local areas, enhancing brand visibility and attracting new customers. Secondly, it serves as a platform for showcasing products and services 24/7, thereby improving customer convenience and driving sales. Furthermore, it facilitates stronger customer relationships through digital engagement across various channels like social media, email marketing, and online chat support, fostering brand loyalty and gaining valuable insights into customer references. Additionally, it enables businesses to implement cost-effective marketing strategies such as social media ads, search engine optimization (SEO), and content marketing, effectively targeting specific demographics and increasing brand awareness. Lastly, it ensures competitiveness in today's digital market, where consumers heavily rely on online research before making purchasing decisions.



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