

NEW YEAR RESOLUTIONS FOR BUSINESSES: HOW TO APPROACH ADDRESSING YOUR LEGAL NEEDS IN 2025

Getting active for the new year? Here is a simple do-it-yourself toolkit for keeping your business' legal function needs in order.

Most legal function needs of a business are divided into three broad categories:

a. **Legal** - this section covers your contracts, investments, transactions, disputes and everything that you'll probably need to ask a lawyer for advice on.

b. **Compliance** - this section covers any requirements that the law in Nigeria may have regarding your business, e.g. tax compliance, annual returns filings, renewal of permits, etc.

c. **Governance** - this section covers corporate governance issues like board and shareholder meetings, interacting with directors and shareholders, etc.

Let's look at what you need to do under each category.

LEGAL

1. Review Your Contracts

- Conduct a quick read/review of your contracts (e.g. client agreements, supplier contracts, and service level agreements, etc.).
- Confirm that all parties have signed the contract.
- Confirm whether a contract has expired and if you need to renew where it's expired.
- Confirm if you need to review your fee in a contract, and the process for same.
- Create a table for monitoring existing contracts and when they will expire/need to be renewed.

2. Review Proposed Projects/Transactions and Consult Legal Counsel, where necessary

Thinking of launching a new project or product for your business or company?

Consult a legal professional to ensure you have the correct understanding of the law on your proposed project, and you have the right contracts and terms for engaging partners or customers, where necessary.

3. Review of Your Intellectual Property Protection

Review your business' IP assets, e.g. your brand name, logo, inventions, creative works, to confirm if you need to legally preserve them via registration.

4. Property

- Verify ownership and maintain accurate records for all company-owned property, including land, buildings, and assets.
- Before acquiring property, conduct thorough due diligence to confirm the root of title/ownership and avoid potential disputes.
- Ensure all property rights, obligations and privileges are properly documented and registered with the appropriate government authority, where necessary.
- If you are a property owner, ensure to make payment of your annual ground rent to the appropriate government authority.



COMPLIANCE

1. Filing of Annual Returns at the Corporate Affairs Commission

All registered entities (business names, companies, and incorporated trustees) must file their annual returns within the timelines prescribed under the Companies and Allied Matters Act. Failure to comply may result in the company being declared inactive, and both the company and its directors or officers may be subject to penalties as prescribed by the CAC.

2. Filing of Bi-Annual Statement of Affairs

Non-Governmental Organizations (NGOs) registered as incorporated trustees are required to file their bi-annual statements annually with the CAC. Trustees must file their Bi-annual returns for the periods ending June 30 and December 31 each year, with the submission deadlines being 15th July and 15th January, respectively. Failure to file may result in penalties imposed on the trustees by the CAC.

3. Updating the Information of Entities registered with the CAC

Any changes made to an entity's information (such as change of directors, company secretary, registered address, etc.) must be filed with the CAC. Failure to do so will result in the company's records being inaccurate.

4. Renewal of Permits & Licenses

Where a business relies on a permit or license, e.g. moneylender's license, it is important to review the terms of the permit or license and see if there is an expiration/renewal date. Usually, it is better to complete your renewal before the permit/license expires, to avoid being penalized.

5. Tax Filings

Ensure your business is registered with the appropriate tax authorities, and complete your VAT and WHT remittance filings, where required.

6. Data Protection and Privacy

Conduct your annual data compliance audit. Where you have processed the data of up to 1000 or more data subjects, you will be required to file compliance audit returns before 15 March 2025. Engage a data protection officer and conduct trainings periodically to ensure compliance with Nigeria's data protection law and regulations.

GOVERNANCE

- Establish clear roles and responsibilities of the board of directors, management, and shareholders to ensure accountability.
- Ensure the board includes a mix of executive and non-executive directors, with a sufficient number of independent directors to enhance objectivity.
- Organize regular board meetings and shareholder meetings to foster effective communication and ensure oversight.
- Encourage diversity in leadership and decision-making roles.
- Develop policies to resolve conflicts between stakeholders, employees, and management efficiently and fairly.



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