

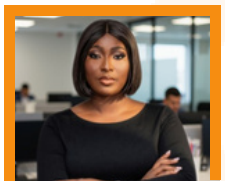
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SYNTEGRAL
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BEYOND INCORPORATION: A PRACTICAL GUIDE TO NGO COMPLIANCE IN NIGERIA



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INTRODUCTION

Incorporating a non-governmental organisation ("NGO") in Nigeria is only the first step towards establishing and operating a legally compliant non-profit organisation. While registration with the Corporate Affairs Commission ("CAC") confers legal recognition, it also introduces continuing statutory and regulatory obligations that must be observed throughout the organisation's existence. Failure to comply with these obligations may expose the organisation and, in certain circumstances, its trustees to regulatory sanctions and other legal consequences.

Most NGOs in Nigeria, including charitable foundations, professional associations, religious organisations and other non-profit bodies, are registered as Incorporated Trustees under Part F of the Companies and Allied Matters Act 2020 ("CAMA"). This structure provides a legal framework for their governance and operations, including the management of their income and property, adherence to their registered constitutions, maintenance of financial records and fulfilment of statutory reporting obligations. Importantly, incorporation does not relieve trustees of their responsibility to ensure that the organisation continues to operate within its stated objectives and applicable legaL requirements.

The regulatory obligations of NGOs also extend beyond CAMA and the CAC. Depending on their activities, funding arrangements and operational structure, NGOs may be required to comply with applicable tax laws, anti-money laundering and counter-terrorism financing requirements, employment legislation, data protection laws and sector-specific regulations. These obligations are not necessarily uniform across all NGOs. Their application will depend largely on the nature of the organisation's activities and the regulatory requirements relevant to its operations.

For trustees, governing bodies and administrators of NGOs, post-incorporation compliance should therefore be treated as an ongoing responsibility rather than an occasional exercise undertaken solely to satisfy filing requirements. A clear understanding of the applicable obligations is necessary to maintain regulatory compliance, promote accountability and safeguard the organisation's continued operations. This article provides a practical checklist of the principal post-incorporation compliance requirements for NGOs in Nigeria, examining the statutory filings, governance responsibilities, tax obligations and other regulatory considerations that trustees and administrators should address after incorporation and throughout the organisation's operations.

POST INCORPORATION COMPLIANCE

1. The Registration Document

One of the easiest mistakes after incorporation is to put the constitution, trustee declarations and registration documents away and begin operating informally. That creates problems later. The constitution should guide the organisation's governing structure, meetings, appointment and removal of officers, use of funds, decision-making and objects. Where the organisation begins carrying on activities that are materially outside its registered objects, the issue is not cured merely because the activity appears charitable or useful.

Sections 832 and 833 of CAMA regulate changes to the name or objects of an Incorporated Trustee and alterations to its constitution. A proposed change should therefore be approved in the manner required by the constitution and CAMA and filed with the CAC. The Companies Regulations 2021 also impose filing timelines for post-incorporation applications. The practical lesson is that changes in governance should be documented when they happen rather than reconstructed several years later when a donor, bank or regulator asks for an updated status report.

The governing council should also understand the limits placed on the use of the organisation's property. Section 838 of CAMA requires the income and property of an Incorporated Trustee to be applied solely towards the promotion of its objects and prohibits distribution to members by way of dividend, bonus or profit. Reasonable payment for genuine services may be permitted within the statutory limits, but an NGO should not become a route through which trustees or members extract private benefits.

2. An updated Record at the CAC

An NGO's public record should reflect the people who actually govern it. Where a trustee resigns, dies, becomes disqualified or a new trustee is appointed, the change should not remain only in internal minutes. Section 834 of CAMA deals with replacement and appointment of additional trustees, while CAC's post-incorporation checklist also covers changes to trustees, chairman and secretary.

Before filing a trustee change, the organisation should check its constitution for the required meeting, notice, quorum and voting procedure. Minutes and resolutions should be prepared carefully, because they become part of the evidence supporting the filing. Where publication or other statutory steps are required, these should be completed before the application is treated as final.

The same discipline should apply to the organisation's registered address and contact details. Banks, donors and public authorities often rely on CAC records when conducting due diligence. An organisation whose physical office, email address and governing officers have changed repeatedly without corresponding filings may find routine transactions delayed because its internal records no longer match the public register.

3. Annual Returns and Statement of Affairs

Incorporated Trustees have continuing filing obligations with the CAC. Under section 848 of CAMA 2020, an organization is required to file an annual return, accompanied by its audited statement of accounts for the relevant year. In addition, section 845 of CAMA 2020 requires the trustees to file a bi-annual statement of affairs showing prescribed information on the organization'sfinancial position. The bi-annual statement of affairs is made up to 30 June and 31 December each year and is filed in the prescribed form. Although closely connected to the organization's financial reporting and annual compliance, it remains a separate statutory filing from the annual return.

Both filings should therefore be included in the NGO's compliance calendar and prepared from proper and consistent accounting records. This helps ensure that the information filed with the CAC agrees with the organization's accounts and provides an accurate picture of its affairs.

4. Maintain proper accounts and preserve the supporting records

An NGO may not have shareholders expecting dividends, but that does not reduce the importance of financial accountability. Sections 846 and 847 of CAMA address accounting records, statements of account and preservation of records for Incorporated Trustees. The organisation should be able to explain where money came from, what it was approved for, how it was spent and what remains.

In practical terms, this means maintaining bank statements, payment vouchers, invoices, receipts, payroll records, grant agreements, procurement records, asset registers and evidence of approvals.

Restricted grants should be tracked separately where necessary so that money received for one project is not casually used to fund another.

Good financial records are particularly important where an organisation depends on donor funding. A donor audit may examine matters that go beyond the minimum CAC filing requirement, including procurement procedures, related-party payments, travel expenditure, cash controls and whether project expenditure matches the approved budget. The organisation should therefore design its internal controls around both Nigerian law and the contractual conditions attached to its funding.

5. Tax Exemption Does Not Mean No Tax Compliance

Non-profit status does not place an NGO completely outside the tax system. The Nigeria Tax Act 2025 and the Nigeria Tax Administration Act 2025 form part of the current federal tax framework, and the tax treatment of an NGO depends on the nature of its income and activities.

Income that qualifies for an exemption should be distinguished from income arising from a trade or business that may fall outside the exemption. An NGO that runs a commercial venture, earns rental or investment income, or charges for services should not assume that every receipt is exempt simply because the surplus is eventually used for its objects. The organization should also consider taxes that arise because it makes payments or employs people. PAYE, withholding tax, VAT treatment of relevant transactions and stamp duties may still be relevant. A better approach is to consider each material source of income and each significant payment on its own tax treatment rather than rely on the general label 'NGO'.

6. Registration with the Federal Ministry Responsible for National Planning

NGOs should also consider registration with the Federal Ministry responsible for national planning through the department that coordinates international cooperation and development partners. This is separate from incorporation with the CAC. CAC registration gives the organization its legal status; registration with the Ministry serves a different administrative and coordination purpose.

This is particularly important for international NGOs and organizations involved in development programmes, donor-funded projects or cooperation with international development partners. The process may require information on the organization’s legal status, objectives, areas of work, geographical coverage, projects, funding and key officers.

For that reason, an NGO should not assume that obtaining its CAC certificate completes every registration relevant to its operations. The organization should check the Ministry's current requirements and determine whether its activities bring it within the applicable registration or cooperation framework.

7. SCUML Registration and AML/CFT Compliance

NGOs should also pay attention to Nigeria's anti-money laundering and counter-terrorist financing framework. The Special Control Unit Against Money Laundering (SCUML) has a registration and supervisory framework that covers non-profit organizations, including charitable bodies, associations and faith-based organizations.

Registration should not be treated as the end of the matter. A non-governmental organization (NGO) that receives grants, donations, or funding from various sources should maintain adequate records to comprehend the origins and uses of major monies. Additionally, it should maintain accurate records of material transfers and keep an eye out for odd payment instructions or transactions that don't align with the project's stated goals. The level of control should make sense. A small community association funded mainly by local contributions will not need the same internal system as an international humanitarian organization moving substantial funds across borders. What matters is that the controls are proportionate to the NGO's size, funding and exposure, and that any specific reporting obligations that apply to it are built into its compliance process.

8. Employment, Pension and Staff Compliance

Once an NGO employs staff, it becomes an employer and should deal with employment compliance in the same serious way as any other organization. Employees should have clear terms of employment, payroll records should be maintained, and applicable PAYE obligations should be met.

The NGO should also consider group life insurance, employee remuneration, and pension contributions where applicable legislative levels are met. Fixed-term or donor-funded positions should be appropriately documented, especially if the position's continuation is contingent upon a specific grant. The terms, compensation, reporting line, benefits, confidentiality requirements, and termination procedures should all be made explicit in the contract. When hiring foreign people, an NGO must take work permission and immigration laws into separate consideration. Registration with the CAC does not, by itself, give a foreign employee permission to work in Nigeria.

9. Data Protection

NGOs often hold information that deserves careful handling. Depending on the programme, this may include beneficiary details, health information, photographs of children, donor records, employee files, identity documents and information about vulnerable persons or communities. The Nigeria Data Protection Act 2023 therefore has direct practical relevance to the sector.

The organization should know what personal data it collects, why it collects it, who can access it, how long it is kept and whether it is shared or transferred outside Nigeria. Privacy notices, access controls, data-processing arrangements and procedures for dealing with breaches should reflect what the NGO actually does, rather than exist only as documents on a shelf.

Where the NGO falls within the Nigeria Data Protection Commission's category of a Data Controller or Processor of Major Importance, it should also consider the applicable registration and compliance audit requirements under the current NDPC framework.

10. Donor and Grant Compliance

For NGOs that depend on grants and donations, the grant agreement might be just as vital to day-to-day compliance as a statutory file. The donor may demand financial reports, program reports, audits, or proof that agreed-upon actions have been fulfilled, and funding may be limited to a specific program, location, budget line, or time frame. Therefore, grant agreements, budgets, expenditure records, and supporting documentation should be maintained by the NGO in a way that makes it possible to track funds from the point of receipt to the project for which they were provided. The organization must clearly report the source and type of funding when funds are obtained through a sub-grant arrangement or an intermediary.

Donor conditions should also be read alongside the NGO's internal approval process. A payment may be permitted under an internal budget but still breach a grant condition. That is why finance, programme and legal or compliance teams should not work in isolation from one another.

11. State and Sector-Specific Requirements

Registration with the CAC confers legal personality on an NGO but does not automatically authorise it to undertake every activity within its stated objectives. Depending on the nature of its operations and the state in which it operates, an NGO may be required to obtain additional licences, permits, registrations or approvals from relevant state authorities, local government councils or sector-specific regulatory bodies.

For instance, an NGO intending to establish or operate a school, healthcare facility, diagnostic laboratory or other regulated institution must comply with the licensing and operational requirements applicable to that sector. Similar obligations may arise where an NGO undertakes construction projects, distributes regulated products, operates from premises subject to local permits or engages in activities requiring specific regulatory authorisation.

Accordingly, NGOs should assess the regulatory requirements applicable to each proposed programme or activity before commencing operations. This includes identifying the relevant regulatory authorities, determining the approvals required and ensuring that any licences or permits obtained remain valid throughout the period of operation.

Conducting these checks at the planning stage can help NGOs avoid regulatory sanctions, operational disruptions and the difficulties associated with obtaining retrospective approvals for activities already commenced.

12. Board and Governance Discipline After Registration

Governance usually becomes more difficult as an NGO grows. At the beginning, the trustees may know one another well and decisions may be made informally. Once grants increase, employees are hired and programmes expand, so that informality can create gaps in accountability.

The governing body should meet as required by the constitution, receive meaningful financial and programme reports, declare conflicts of interest and record important decisions. A trustee who has a personal interest in a proposed contract should disclose it, and related-party transactions should be properly considered, approved and documented.

Policies should also match the size and work of the organisation. Finance and procurement, conflicts of interest, whistleblowing, safeguarding, anti-bribery, data protection, travel and expenses, grant management and document retention may all be relevant. The aim is not to collect policies for appearance's sake. It is to make sure recurring decisions are handled consistently and can be explained if questioned.

A PRACTICAL COMPLIANCE CALENDAR

Maintaining an effective compliance calendar is one of the practical measures NGOs can adopt to ensure that their statutory and regulatory obligations are fulfilled within the prescribed timelines. Such a calendar should distinguish between recurring obligations and those triggered by specific changes in the organisation's governance, structure or operations.

Recurring obligations may include the filing of annual returns with the CAC, biannual statements of affairs, applicable tax and payroll returns, donor reporting requirements, board meetings and periodic compliance obligations relating to data protection and anti-money laundering, where applicable. Event-driven obligations, on the other hand, arise from developments such as changes in trustees, amendments to the organisation's constitution or objects, changes to its registered address or the commencement of activities requiring additional regulatory approvals. These should be addressed as and when the relevant events occur.

An effective compliance calendar should also identify the persons or departments responsible for fulfilling each obligation. For instance, CAC filings may be assigned to the organisation's secretary or legal and compliance function, while tax compliance and donor reporting may fall within the responsibilities of the finance department. Human resources personnel may oversee employment-related obligations, with programme teams providing the information required for project-specific reporting.

Beyond assigning responsibilities, NGOs should establish an internal reporting mechanism through which management and the governing body can monitor compliance deadlines, identify outstanding obligations and ensure that necessary corrective measures are taken promptly.

REVIEW OF CONTINUING COMPLIANCE OBLIGATIONS

For NGOs that have been operating for some time, periodic compliance reviews are necessary to determine whether their governance arrangements, statutory records and operational practices remain consistent with applicable legal and regulatory requirements.

A useful starting point is to review the organisation's CAC status report, registered constitution and statutory filings against its current governance structure and activities. This should include confirming whether the particulars of its trustees and registered address remain accurate, whether its stated objects adequately cover its existing programmes, and whether its annual returns and statements of affairs have been filed as required. The organisation should also verify that its financial records are consistent with the information contained in its statutory filings.

The review should extend beyond CAC compliance to other obligations relevant to the organisation's operations. These may include its tax registration and compliance status, applicable registrations with government ministries and the Special Control Unit Against Money Laundering (SCUML), employment documentation, pension and insurance obligations, donor funding conditions, data protection requirements, banking mandates, procurement procedures, conflict-of-interest policies and sector-specific licences or approvals.

Where discrepancies or outstanding obligations are identified, the organisation should take appropriate steps to address them and establish measures to prevent recurrence. Regular compliance reviews enable NGOs to identify and resolve potential regulatory issues before they develop into more serious legal, financial or operational difficulties.

CONCLUSION

Post-incorporation compliance for NGOs in Nigeria extends beyond the fulfilment of annual filing obligations. It is an essential aspect of corporate governance that requires continuous attention from trustees and management. While incorporation under CAMA confers legal personality, it also imposes continuing obligations to ensure that the organisation operates within its stated objects, maintains proper financial records and complies with applicable statutory and regulatory requirements.

Effective compliance requires a structured approach. NGOs should establish a compliance calendar, assign responsibility for specific obligations and maintain accurate records of their activities, financial transactions and regulatory filings. These measures not only facilitate timely compliance but also place the organisation in a better position to respond to donor audits, banking due diligence requirements and regulatory inquiries.

Ultimately, maintaining an NGO's legal status involves more than ensuring that its registration with the CAC remains valid. Trustees and management must also ensure that the organisation's governance, funding arrangements and day-to-day operations remain consistent with its constitutional objectives and the applicable legal framework.

This is fundamental to preserving the organisation's credibility, protecting its resources and sustaining its ability to pursue the purposes for which it was established.

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