TOPE ADEBAYO LP

REGULATORY UPDATE

CAC TO ENFORCE BUSINESS LETTERS REQUIREMENTS UNDER CAMA 2020

In a public notice dated 7th July 2026 the Corporate Affairs Commission (CAC) announced strict enforcement of statutory requirements for company business letters, effective August 1, 2026. Companies that default will face sanctions.

What the law already requires

The enforcement concerns Sections 304 (1), 304 (2), and 729 (1) (c) of the Companies and Allied Matters Act (CAMA) 2020. Collectively, these provisions require that a company's business letter bears, in legible characters:

a. The company's registered name
b. The company's registration number
c. The company's registered address
d. Present forenames, surnames and initials of directors
e. Any former forenames and surnames of directors
f. The nationality of every non-Nigerian director, except where an exemption is granted by the CAC

This requirement extends beyond formal letterhead. It applies to invoices, quotations, official correspondence, and other business documents issued by the company.

Impact on Businesses

The CAMA has set these requirements since its entry into force. What changes now is enforcement; the CAC will apply sanctions to defaulting companies, and the rule covers every company registered under CAMA or enactments it repeals, whichever size or sector.

Companies need to audit letterheads, invoice templates, and correspondence documents to confirm they carry the required information. If a company has foreign directors, it must disclose their nationality. Directors who changed their names, through marriage or other circumstances, must also list former names.

Depending on the nature of the violation, the CAMA provides for either a flat penalty or a daily default penalty, as may be prescribed by the Corporate Affairs Commission (CAC). Under the CAC's current schedule of fees, daily default penalties generally range from N100 to N500, while flat-rate penalties range from N5,000 to N25,000. That said, the application of these penalties is ultimately subject to the CAC's discretion in each case. Accordingly, it would be prudent not to pre-empt the Commission's position, particularly as it retains the authority to determine the appropriate penalty within the bounds of the law and its prevailing regulatory approach.

Companies in regulated transactions, such as financing, mergers, or public tenders, face added scrutiny, since non-compliant letters can raise issues during document review.

Before August 1, 2026, companies should:

a. Audit business letter templates and correspondence against the requirements;

b. Confirm your RC number is accurate;

c. Match your registered company name to CAC records;

d. List current directors, with initials, present and former names, and nationality for non-Nigerian directors;

e. Update outdated director records at the CAC;

f. Update letterhead templates and invoicing systems to reflect these details; and

g. Brief finance and admin staff who issue invoices and quotations.

Conclusion

The notice gives companies a defined window to bring their business letters into line with CAMA 2020 requirements. The rules are not new, but active enforcement is.

For inquiries, you can reach us at:

3rd Floor, The Phoenix, 31 Mobolaji Bank Anthony Way,

Ikeja Lagos, Nigeria

+234 708 869 9174; +234 813 532 1156

www.topeadebayolp.com

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