

A BILL

FOR

AN ACT TO AMEND THE COMPANIES AND ALLIED MATTERS ACT, 2020 TO SIMPLIFY REPORTING REQUIREMENTS FOR SMALL AND MEDIUM ENTERPRISES (SMEs), BALANCE TRANSPARENCY IN THE DATA OF PERSONS WITH SIGNIFICANT CONTROL OF SME'S WITH PRIVACY RIGHTS, AND FOR RELATED MATTERS

Sponsored by Hon. Sani Umar Bala

[] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

- 1 **1.** The Companies and Allied Matters Act, 2020 (hereinafter
2 referred to as "the Principal Act") is amended as set out in this Bill. Amendment of
the Companies and
Allied Matters
Act, 2020
- 3 **2.** Section 374 of the Principal Act is amended by inserting a new
4 subsection (7) to read as follows: Amendment of
Section 374
(Financial Statement
and Reports)
- 5 "(6) Notwithstanding the provisions of this Section, small and
6 medium-sized enterprises (SMEs), as defined under Section 394(3) of this
7 Act, shall be exempted from the requirement to prepare audited financial
8 statements where their annual turnover does not exceed N50,000,000,
9 provided that such enterprises shall instead file a simplified statement of
10 financial position and income with the Corporate Affairs Commission
11 (CAC)".
- 12 **3.** Section 419 of the Principal Act is amended by renumbering the Amendment of
Section 392
(Annual Returns)
13 existing provisions as subsection (1) and inserting new sub clauses (2) and
14 (3) with the following provisions:
- 15 "(2) For small and medium-sized enterprises (SMEs), the annual
16 returns form shall be simplified to include only the following:
- 17 (i) Business name and registered address;
- 18 (ii) Statement of principal activities;

	1	(iii) Statement of income and expenses;
	2	(iv) Confirmation of persons with significant control."
	3	(3) The Commission shall provide a simplified digital platform for
	4	SMEs to file their annual returns online at no cost."
Amendment of Section 119 (Register of persons with significant control)	5	4. Section 119 of the Principal Act is amended by-
	6	(a) substituting the existing subsection (3) with the following
	7	subsections:
	8	(3) The Corporate Affairs Commission (CAC) shall ensure that the
	9	register of persons with significant control in which it shall enter the
	10	information received from the company or any change therein under
	11	subsection (2) is maintained in a secure digital format, accessible only to
	12	authorized parties, including law enforcement agencies and financial
	13	regulators.
	14	(b) inserting new sub clauses (5) and (6) to read as follows:
	15	"(5) The disclosure of information of persons with significant control
	16	shall be limited to the following purposes:
	17	(a) Combating money laundering and terrorism financing;
	18	(b) Investigating economic and financial crimes; and
	19	(c) Enhancing corporate accountability.
	20	(6) Unauthorized access or misuse of data of persons with significant
	21	control by any person shall attract a penalty of not less than N5,000,000 or
	22	imprisonment for a term of not less than three years, or both."
	23	(c) renumbering the existing subsection (5) as the new sub clause (7).
Amendment of Section 869 (Regulations)	24	5. Section 867 of the Principal Act is amended by adding a new
	25	paragraph (f) to read:
	26	(f) The Minister responsible for commerce shall, in consultation with
	27	stakeholders, issue regulations to:
	28	(i) Define the threshold for SMEs' simplified reporting;
	29	(ii) Ensure the privacy and security of data of persons with significant
	30	control of SME's; and

1 (iii) Provide incentives to encourage SME compliance with the
2 provisions of this Bill.

3 **6.** In this Bill:

4 "Simplified financial statement" means a basic statement summarizing an
5 enterprise's income, expenses, and financial position.

Interpretation

6 **7.** This Bill may be cited as the Companies and Allied Matters
7 (Amendment) Act, Bill 2024.

Citation

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Companies and Allied Matters Act, 2020 to:
Simplify reporting requirements for small and medium-sized enterprises
(SMEs) to encourage compliance and reduce administrative burdens.
Balance the need for transparency in the information of persons with
significant control or SME's with privacy rights by ensuring that such
information is securely maintained and accessible only for lawful purposes.
Enhance corporate governance and accountability while promoting ease of
doing business in Nigeria.