

20
24 HIGHLIGHTS



NIGERIAN LEGISLATIVE REVIEW



GOVERNMENT BUSINESS

20
25 OUTLOOK



GOVERNMENT
BUSINESS

Foreword

In 2024, Nigeria embarked on a wave of transformative reforms, reflecting a renewed commitment to recalibrate its legal and economic frameworks to foster sustainable growth and enhance governance. These sweeping changes spanned key sectors, signaling an ambitious agenda for national development.

While not all initiatives culminated in full enactment, the reform agenda achieved significant milestones. Notable accomplishments included the amendment of the National Minimum Wage Act and the passage of the Cybercrimes (Prohibition, Prevention, etc.) (Amendment) Act 2024, which addressed pressing socio-economic and security challenges.

At the same time, several pivotal bills progressed through various stages of the legislative process, holding the promise of profound sectoral transformations upon their eventual enactment. These include the National Digital Economy and E-Governance Bill, 2024; the Investment and Securities Act (Repeal) Bill, 2024; and proposed amendments to foundational laws such as the Central Bank of Nigeria (CBN) Act.

This report provides an in-depth analysis of selected enacted laws and pending bills, offering insights into their potential impact and the far-reaching implications for their respective sectors. The status of the enactments and bills contained in this report are as at December 16th 2024.



Muiyiwa Balogun

Partner, Government Business



PART
01

2024 HIGHLIGHTS





National Minimum Wage (Amendment) Act 2024

The National Minimum Wage (Amendment) Act 2024 ('the Amendment Act') was enacted on 29 July 2024 to address the need for an adjusted minimum wage that reflects current economic realities — including, as at the time, currency devaluation and inflation, leading to a hike in the cost of living.



KEY FOCUS AREAS

Increase in Minimum Wage

The Amendment Act mandates that every employer shall pay not less than N70,000.00 (Seventy Thousand Naira) per month to every worker under his establishment. This is more than double the previous minimum wage of N30,000.00 (Thirty Thousand Naira).

Shortened Review Period

To ensure that the minimum wage remains responsive to economic conditions, the Amendment Act reduces the review period from five years to three years. This change allows for more frequent adjustments such as to keep pace with inflation and economic shifts.

Exemptions

The Amendment Act does not apply to persons in part-time employment, commission-based roles, piece-rate remuneration; persons in establishments with less than 25 employees; persons in seasonal employment; and employees of a vessel or aircraft (as they have their regulating laws).



POTENTIAL IMPACT

The Amendment Act by upwardly reviewing the minimum wage is expected to directly improve the standard of living, boost worker morale, increase productivity, and improve employee retention.

The amendments have also helped address some of the demands of the Nigerian Labour Congress and the Trade Union Congress, thus preventing costly industrial strike actions.



Cybercrimes (Prohibition, Prevention, Etc.) (Amendment) Act, 2024

The Cybercrimes (Prohibition, Prevention, Etc.) (Amendment) Act 2024 (“Cybercrimes Amendment Act”) aims to address emerging threats in Nigeria’s rapidly evolving digital landscape. Originally enacted in 2015, the Cybercrimes Act established foundational structures to combat cybercrime, but recent advancements in technology, increased digital activity, and sophisticated cyber threats have underscored the need for stronger safeguards. This Cybercrimes Amendment Act seeks to enhance cybersecurity infrastructure, bolster fraud prevention, and align the 2015 law with the Nigeria Data Protection Act (NDPA). By refining its regulatory and punitive mechanisms, the Cybercrimes Amendment Act aims to reinforce national digital security and improve public confidence in online platforms and transactions.



KEY FOCUS AREAS

Cybersecurity Levy on Electronic Transactions

The Cybercrimes Amendment Act specifies a cybersecurity levy of 0.5% (0.005) of all electronic transactions. This affects banks, telecom companies, insurance firms, and the stock exchange. This levy is intended to fund cybersecurity initiatives, but it has raised concerns about potential impacts on financial inclusion. Critics argue that individuals may be discouraged from electronic transactions due to added costs, potentially pushing people towards cash-based transactions, which is at odds with Nigeria’s push toward a cashless economy.

Establishment of Sectoral CERTs and SOCs

It further establishes Sectoral Computer Emergency Response Teams (CERTs), and Security Operations Centers (SOCs) tasked with monitoring and responding to cyberattacks. These teams will coordinate with national cybersecurity bodies, ensure the protection of the national cyberspace, and oversee the integration and routing of internet and data traffic from both public and private organizations. This provision reflects global cybersecurity best practices, as it enables rapid response to cyber incidents and promotes sector-specific protection strategies.

Mandatory Reporting of Cyber Threats

Under the Cybercrimes Amendment Act, it is now mandatory to report cyber threats within 72 hours. Failure to comply will result in denial of internet access and a fine of ₦2,000,000 (Two Million Naira) payable to the Nigeria Cybersecurity Fund (NCF). This reporting mandate aims to promote accountability and quicker containment of cyber threats, while also creating a financial deterrent against delayed or incomplete threat reporting.



Mandatory NIN Requirement for Electronic Transactions

The Cybercrimes Amendment Act mandates that customers must provide their National Identification Number (NIN) when conducting electronic financial transactions.⁷ This requirement aims to strengthen identity verification and trace offenders more effectively. The provision seeks to improve traceability and identification of individuals engaging in digital transactions.

Alignment with the Nigeria Data Protection Act

The Cybercrimes Amendment Act aligns the 2015 law with the NDPA. Service providers are required not only to retain traffic data and subscriber information but also to ensure its protection, enhancing subscriber data privacy and security.⁸

Expanded Scope of Fraud Prevention Measures

The Act broadens fraud prevention measures to include all new payment technologies, extending beyond traditional methods like ATMs and POS terminals. By encompassing digital wallets, mobile banking, and emerging online payment platforms, the Cybercrimes Amendment Act adapts to current technological advancements, ensuring that fraud prevention mechanisms remain relevant and effective across all financial platforms.⁹



POTENTIAL IMPACT

The Act has the potential to significantly enhance Nigeria's cybersecurity resilience and digital trust, setting the groundwork for a more secure digital economy. By mandating prompt threat reporting, bolstering sector-specific cybersecurity oversight, and integrating data protection standards, the Cybercrimes Amendment Act fosters confidence among users and investors. However, the introduction of the cybersecurity levy may pose cost barriers that could impede financial inclusion efforts, underscoring a need for balance in funding critical cybersecurity measures while maintaining affordability in digital services. In prioritizing comprehensive fraud prevention across modern payment systems, the Cybercrimes Amendment Act promotes a forward-looking regulatory approach, equipping Nigeria's digital infrastructure to better adapt to technological advancements and secure electronic financial transactions.



Finance Act (Amendment) Act, 2024

The Finance Act (Amendment) Act, 2024 ('FA Amendment Act') amends the Finance Act, 2023. The FA Amendment Act's primary focus is to establish and impose a legislative framework for administering a windfall tax on banks, specifically targeting profits generated from foreign exchange transactions. The FA Amendment Act reflects the Nigerian government's strategy to harness windfall revenues arising from foreign exchange rate fluctuations within the banking sector.



KEY FOCUS AREAS



Windfall Tax on Foreign Exchange Gains

The FA Amendment Act introduces a 70% Windfall Tax on the profits that banks generate from foreign exchange transactions spanning from 2023 to 2025. Allowing the government to capture gains banks earn from currency fluctuations.



Assessment and Administration of Tax

The Federal Inland Revenue Service (FIRS) is tasked with assessing, collecting, and enforcing the windfall tax. Under this provision, the FIRS may enter into deferred payment agreements with banks, provided these are executed by December 31, 2024. Suppose a bank fails to pay on time or arranges for a delay. In that case, it will face penalties, including a 10% fine on the unpaid tax per annum, interest at the prevailing Central Bank rate, and possible imprisonment of principal officers for a period not more than three (3) months.



Commencement and Interpretation

The windfall tax provisions are effective (retrospectively) from January 1, 2023, ensuring that past transactions falling within the 2023 financial year are subject to the tax.



POTENTIAL IMPACT



The FA Amendment Act's primary focus is to establish and impose a legislative framework for administering a windfall tax on banks, specifically targeting profits generated from foreign exchange transactions.

While the windfall tax aims to capture excess profits resulting from exchange rate fluctuations, it has sparked significant criticism due to its potential unintended consequences for banks. A primary concern is the risk of double taxation, as banks are already subject to income taxes on their profits, including those arising from foreign exchange transactions. It is specifically targeted at banks, potentially singling them out unfairly, especially as other businesses holding foreign currency assets could similarly benefit from exchange rate fluctuations.

Another concern is the retrospective application of the tax, particularly when coupled with penalties for non-compliance. This particular provision has generated significant controversy for its retrospective effect, as it applies to gains realized since 2023 till date – at odds with settled principles of tax law. Our courts have traditionally been wary of retrospective tax laws that penalize actions or gains realized before the law was enacted, as this could be seen as unfair and destabilizing to businesses.

In addition to the levy, the FA Amendment Act imposes stringent penalties for non-compliance, including a 10% fine on unpaid tax amounts and interest at the Central Bank of Nigeria's minimum discount rate.

Key personnel of banks could also face imprisonment if the tax is not remitted. These measures amplify the operational burden on banks, which may struggle to adjust to such a significant tax liability within a limited timeframe. Compliance risks, along with the high financial penalties, further strain the sector, raising questions about whether the short-term revenue benefits justify the broader economic impact.





PART

05

2025 OUTLOOK KEY PENDING BILLS



National Digital Economy and E-Governance Bill, 2024

The Federal Ministry of Innovation and Digital Economy released the proposed National Digital Economy and E-Governance Bill 2024 (Digital Economy Bill) in July 2024 after it passed the first reading at the National Assembly. The Digital Economy Bill builds on the framework established by the preceding National Digital Economy Policy and Strategy (2020-2030). The Digital Economy Bill aims to provide a comprehensive legal framework that will support and regulate the growth of Nigeria's digital economy and enhance e-governance across all levels of government.



KEY FOCUS AREAS



Broad Strokes:

The Digital Economy Bill seeks to inter alia:

1. enhance the use of digital technology to grow Nigeria's economy;
2. mandate, promote, and enable the digital transformation of public institutions and government processes for efficient and effective service delivery; and
3. create a framework for the enhancement of digital economy governance amongst Ministries, Departments, and Agencies.

The Digital Economy Bill is to apply to all public service institutions, private establishments, individuals, and organizations conducting digital activities in Nigeria, either wholly or in part.

Electronic Transactions

Part I of the Digital Economy Bill affirms the validity of electronic transactions and allows the use of electronic formats for information. It also recognizes the legitimacy of digital signatures and electronic seals to meet the requirement of affixing a traditional seal to a document.

Additionally, it includes provisions for the admissibility of electronic records in court proceedings.

E-Contracts, Signatures, and Time Stamps

The Digital Economy Bill recognizes the validity of electronic contracts and makes provisions for determining the time and place of dispatch and receipt of electronic communications. The Digital Economy Bill also recognizes the validity of contracts formed by the interaction of an automated system notwithstanding the absence of human review or intervention. The Digital Economy Bill further establishes clear guidelines for the use of electronic signatures, specifying the conditions required for their validity, including ensuring the signatory's identity and intent are adequately verified.

The Digital Economy Bill also acknowledges the validity and admissibility of electronic timestamps as evidence, which is crucial for verifying the timing of digital transactions and enhancing the accuracy and reliability of records.



Consumer Protection

Part VII of the Digital Economy Bill makes robust provisions in respect of consumer protection. Specifically, it requires a service provider or vendor to provide a customer with sufficient and relevant information on the products, and services to assist the consumer in making an informed decision. The Digital Economy Bill places an obligation on the service provider or vendor to ensure that marketing practices and information are accurate and not misleading and to make sure that any customer who agrees to the contract is fully informed of the terms of such contract. Further, the Digital Economy Bill inter alia seeks to protect personal information by making provisions including the prohibition of disclosure of the personal information of the consumer by the service provider or vendor except with the consent of the consumer or where the law demands disclosure.

Digital Government

A key aspect of the Digital Economy Bill is Part VIII – Digital Government. Under this part, the regulatory agency – the National Information Technology Development Agency (NITDA) is empowered to set standards relating to the format, security, and signature requirements for public institutions that conduct their activities by electronic form, etc. Further, to support this digital shift, each public institution is required to establish an ICT unit, ensuring efficient service delivery and adherence to digital governance practices. Public officers are also required to obtain digital literacy certification relevant to their roles for promotion. Additionally, public institutions are only allowed to use government-approved digital infrastructure and systems.

The Digital Economy Bill, in a bid to ensure the proper delivery of digital-Government mandates public institutions to ensure inter alia: (a) the use of ICT to deliver government services to achieve the objectives of the institution; and (b) ensure availability of digital-Government services that are reliable, functional, fit for purpose and citizen-centric. The Digital Economy Bill also mandates public institutions to accord preference for digital forms of communication, storing, and processing information. In addition to the recognition of electronic records and e-gazetting by public authorities, the Digital Bill also makes provisions relating to electronic forms of communication recognized as acceptable means by public institutions.

Offences and Penalties

The Digital Economy Bill prescribes offences and penalties for non-compliance or contravention of the provisions including fines ranging between One Million Naira (N1,000,000) and Ten Million Naira (N10,000,000) while also bifurcating between first and subsequent offences. The institution of proceedings or imposition of a penalty does not relieve the corporate body from liability to pay to the Federal Inland Revenue Service levy or tax which may become due under the Bill.



POTENTIAL IMPACT

The Digital Economy Bill is both timely and strategic as it seeks to unlock Nigeria's vastly untapped digital economy potential. The Bill, if passed, should ensure reduced bureaucracy and greater efficiency in government processes effectively resulting in faster and enhanced service delivery. The reduced reliance on physical documentation also aligns with Nigeria's sustainability goals.

The Bill also lays the groundwork for Nigeria to embrace digital platforms, pushing forward reforms in e-commerce, digital services, and e-governance. It aims to boost public confidence in digital records and signatures. With ICT becoming standard in public institutions, improved service delivery should be expected.



STATUS OF THE BILL

The Bill has passed its first reading at the National Assembly and has recently undergone nationwide stakeholder consultation.



Investment And Securities Act (Repeal) Bill, 2024

The bill to repeal the Investment and Securities Act (ISA) of 2007 and enact a replacement Investment and Securities Act (ISA) of 2024 represents a significant legislative development aimed at modernizing Nigeria's capital market regulations. The proposed ISA 2024 Bill introduces updated frameworks, expanded regulatory oversight, and enhanced protections for investors



KEY FOCUS AREAS

Enhanced Regulatory Powers and Functions of the Securities and Exchange Commission (SEC)

The ISA 2024 Bill proposes that the SEC shall be the apex regulatory body for the Nigerian Capital Market thereby expanding the powers of the SEC to improve oversight and ensure market stability. It also seeks to clearly delineate the functions of the SEC from its powers as against the conjunction in the extant act. Some of the additional functions prescribed by the ISA 2024 Bill include (but are not limited to):

- registering derivative products and regulating the derivatives market
- reviewing the fairness of mergers and acquisitions of public companies to ensure that all shareholders are fairly and equitably treated and given sufficient information regarding the transaction

In an aim to fully discharge its functions, the Bill further empowers the SEC to



Appoint Independent Directors to the Board of Public Companies in which the Commission has intervened or taken regulatory action;



remove any person associated with misconduct and/or mismanagement of a public company or capital market operator;



investigate any person(s) in connection with the violation of this Bill or other securities laws, codes and regulations;



Provide for the treatment of unclaimed dividends of public companies, including public companies that are defunct or have ceased to exist.



Defined Regulations for Securities Exchanges

It also introduces a broad categorization for registration of Securities Exchanges into (a) composite securities exchange; and (b) non-composite securities exchange and further establishes the specific responsibilities of a securities exchange.



Establishment and Insolvency of Financial Market Infrastructures

The ISA 2024 Bill states that any person seeking to establish or operate a financial market infrastructure (FMI) must first obtain registration from the Commission. If this requirement is violated, the Commission has the authority to shut down the operation, seal premises, and penalize directors or promoters with fines equivalent to the FMI's paid-up capital or imprisonment for at least five years. The Commission can alternatively impose a penalty without prosecution. Applications for FMI approval must follow the Commission's guidelines and serve the public interest. The Commission reserves the right to revoke approval or issue directives to halt operations if it deems it necessary to protect investors or the public, while allowing FMIs to manage existing obligations during the shutdown process. FMIs are also required to create rules for effective functioning, subject to Commission approval. The bill also safeguards FMIs during insolvency ensuring that market contracts, collateral arrangements, and settlement processes are protected from general insolvency laws. It also prioritizes FMI actions over insolvency proceedings, preventing interference in default proceedings and ensuring collateral rights remain with FMIs in participant insolvency cases. By insulating FMIs from certain insolvency effects, the ISA 2024 Bill promotes market stability and orderly settlement, preserving market integrity amid insolvency events.



Systemic Risk

As it relates to systemic risk, the ISA 2024 Bill empowers the SEC to manage systemic risk in Nigeria's capital market. To this end, it is proposed that SEC may request information from market participants and issue directives, including trade suspensions, to maintain market stability, with penalties for non-compliance or otherwise coordinate with other regulators, sharing information confidentially as needed. It further defines "systemic risk" as events like financial distress or major market disruptions, and "significant market participants" as entities with substantial influence based on revenue or assets.



Mergers, Take Overs and Corporate Restructuring

The ISA 2024 Bill also requires public companies to obtain approval from SEC before engaging in mergers, takeovers, or restructuring activities. If a merger involves listed companies, shareholder consent is needed through court-sanctioned meetings, and the SEC must ensure fair treatment of shareholders. Once approved, the court may issue orders for property transfers, continuity of legal proceedings, and employee compensation. The merger must be registered with the SEC, announced in a Gazette, and published in a national newspaper, with non-compliance incurring penalties.



Ponzi/Pyramid Schemes

The ISA 2024 Bill provides that SEC can seize and freeze assets of prohibited schemes, with costs covered by the scheme's funds. A "prohibited scheme," such as a Ponzi or Pyramid scheme, involves paying returns to old contributors from new ones, often without a genuine product or service. Promoters and operators of such schemes face up to 10 years in prison, a N5,000,000 fine, or both upon conviction.



Commodity Exchange and Warehouse Receipts

The ISA 2024 Bill seeks to regulate commodity exchanges, clearing houses, and warehouse receipts to ensure Nigeria's transparent, stable, and secure trading environment. It seeks to mandate the registration of commodity exchanges, clearing houses, and commodity professionals such as brokers and advisers, with penalties for non-compliance, including fines and imprisonment. The ISA 2024 Bill ensures that only registered entities can issue warehouse receipts, mandates insurance for stored commodities, and allows the SEC to inspect warehouses and regulate collateral management companies.



The ISA 2024 Bill seeks to introduce updated frameworks, expanded regulatory oversight, and enhanced protections for investors and participants in the capital markets.



POTENTIAL IMPACT

By bolstering the SEC's regulatory powers, the ISA Bill 2024 aims to reduce systemic risks and prevent market disruptions. The inclusion of stringent compliance, enhanced disclosure, and the clear delineation of SEC's roles across emerging sectors contributes to a more transparent and stable securities market. Provisions for investor compensation, improved disclosures, and targeted protections make the Nigerian market more appealing to investors. A more secure environment is likely to attract a wider base of participants, including institutional investors and foreign entities, thereby increasing liquidity and market depth.

Reduced Fraud and Market Manipulation: By tightening regulations around public offerings, private placements, and emerging asset classes, the ISA Bill 2024 aims to mitigate fraud and market manipulation. With enhanced SEC enforcement and compliance mechanisms, there is an expected reduction in Ponzi schemes and fraudulent investment platforms that have been prevalent in the past, ultimately leading to a safer investment climate.



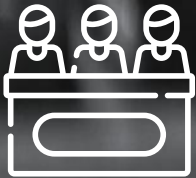
STATUS OF THE BILL

The Bill scaled its second reading at the National Assembly in October 2024.



Central Bank Of Nigeria (CBN) Act 2007 (Amendment) Bill 2023

This Bill seeks to amend the Central Bank of Nigeria Act 2007 to strengthen the Central Bank of Nigeria (“the Bank”) make provision for the appointment of a chairman of the Board and provide for responsibility to quicken and deepen the execution of the Bank’s mandate.



The amendment seeks to insulate the leadership of the CBN from partisan politics by prohibiting the Chairman, Governor, and Deputy Governors of the Bank from being members of political parties or from engaging in political party activities for the duration of their tenure and three years thereafter.



KEY FOCUS AREAS

The Bill introduces the office of a Chairman of the Board of the CBN for a tenure of five years⁵⁰, distinct from the office of the Governor of the Central Bank. It also increases the number of Deputy Governors of the CBN from four to five.

A new membership for the Board of the CBN which shall comprise a Chairman, the CBN Governor, five Deputy Governors, the Permanent Secretary of the Federal Ministry of Finance, five non-executive Directors, and the Accountant General of the Federation. Each of the Deputy Governors shall be appointed from a region other than the region the CBN Governor comes from.

CBN is required to establish an Internal Audit Department responsible for submitting reports and providing recommendations to the Board. The Board shall have specific responsibilities including but not limited to; the approval of audited and management accounts, formulation and implementation of exchange rate policy, establishment and closing of branches and currency centers.

The Board rather than the CBN Governor is to be responsible for keeping the President informed on the affairs of the Bank, including providing reports on the Central Bank’s Budget. It equally prohibits the Chairman, Governor, and Deputy-Governors from engaging in politics until 3 years after disengaging from office.



POTENTIAL IMPACT



This amendment seeks to introduce greater checks in the leadership of the CBN by separating the Chairman of the Board from the CBN Governor and subjecting the exercise of some of the powers of the CBN Governor to approval by the Chairman.

The amendment seeks to insulate the leadership of the CBN from partisan politics by prohibiting the Chairman, Governor, and Deputy Governors of the Bank from being members political parties or engaging in political party activities for the duration of their tenure and even up until three years after that.

Ultimately, the stated aims of the reforms are to create a more accountable and effective governance structure for the CBN, ensuring that it remains focused on its core mandate of economic stability.



STATUS OF THE BILL

The Bill passed its second reading at the National Assembly in February 2024.



NDIC Amendment Bill 2024

The Bill to Amend the Nigeria Deposit Corporation Act No. 63 of 2023 (NDIC Bill) seeks to enhance the effectiveness, independence, and autonomy of the Nigeria Deposit Insurance Corporation (NDIC). This NDIC Bill builds on the foundation of the Nigeria Deposit Insurance Act 2023 (NDIC Act).



KEY FOCUS AREAS



Notable amendments include the deletion of the requirement for the Chairman of the Board of Directors to be the Permanent Secretary of the Federal Ministry of Finance (FMOF) and the removal of the Director General of the Securities and Exchange Commission (SEC) from the Board. The number of years of experience for the Chairman, Managing Director, and Executive Directors has been increased from fifteen (15) to twenty (20) years. Additionally, the need for the CBN Governor's recommendation for the appointment of the Managing Director and Executive Directors of the Corporation has been expunged.

The NDIC Bill mandates a 30-day timeframe for establishing an Interim Management Committee (IMC) to assume the Board's responsibilities upon its expiration or termination. It also designates a representative from the FMOF at the rank of Director or higher as the IMC Chairman, replacing the Permanent Secretary. Additionally, the Director General of the SEC is no longer included as part of the IMC.

Section 11 of the NDIC Bills increased the amount to be received by a depositor in the event of revocation of the operating license of an insured institution or actual suspension of payment to depositors. Depositors of an insured institution (excluding Microfinance Banks) are now entitled to receive an amount no less than Five Million Naira (N5,000,000), while Microfinance Bank depositors are entitled to receive no less than Two Million Naira (N2,000,000). The Bill also empowers the Board to determine by circular each year, the maximum account depositors are to receive and adjust this amount upwards in response to prevailing economic realities.

The NDIC Bill seeks to amend Section 14(4) of the NDIC Act by requiring that the terms and conditions of service, including remuneration and allowances for the Managing Director and Executive Directors, be approved by the Minister of Finance upon the Board's recommendation, replacing the previous requirement of Board approval alone.

As it relates to the power of the Corporation as a liquidator to succeed all rights, titles, powers, and privileges of the insured institution, shareholder, depositor, officer, account holder, or director, the NDIC Bill introduces a proviso to the effect that the succession shall not include:

01

monies received by the insured institutions as agents or otherwise in respect of the purchase of securities offered to the public by the issuers:

02

application monies and other monies paid prior to the allotment of shares by an applicant or other securities held in separate account as deposit by an issuing House under the Investments and Securities Act (ISA) or any money lodged in or received by an insured institution which may not be considered a deposit by the Corporation.⁶²



POTENTIAL IMPACT

Increasing the compensation limits for depositors in cases of license revocation or payment suspension, with the option for annual adjustments to reflect economic realities, will provide greater financial security and comfort to depositors.



STATUS OF THE BILL

The Bill passed its final reading at the National Assembly in October 2024 but is yet to be assented to by the President.



Nigerian Oil And Gas Industry Content Development Act (Repeal and Re-enactment) Bill 2023

The Nigerian Oil and Gas Industry Content Development Act (Repeal and Re-enactment) Bill, 2023, seeks to replace the 2010 Act with a more robust legislative framework. The bill aims to enhance the participation of indigenous companies in the oil and gas sector and to bolster local manufacturing and services.



KEY FOCUS AREAS

The Bill aims to repeal and re-enact the Nigerian Oil and Gas Content Development Act 2010. It also provides for the re-establishment of the Nigerian Content Development and Monitoring Board with its Headquarters at Yenagoa Bayelsa State. It seeks to amend the functions and responsibilities of the Board to include; promoting and participating in mutually beneficial Public Private Partnerships (PPP) with Nigerian financial institutions and Nigerian Indigenous companies to promote in-country manufacturing and production of goods and services. The Board is also saddled with additional powers such as;

01

the verification of Nigerian indigenous companies' capacities

02

evaluation of the application of Nigerian content plans, reports, etc.

03

the tracking and monitoring of the performance of Nigerian Content entities in fulfilling Nigerian content, etc.

Preference for Indigenous Companies

The Bill emphasizes a policy of "first consideration", ensuring that Nigerian companies are prioritized within the oil and gas sector. It introduces specific criteria to evaluate the capacity of indigenous companies, creating a systematic process to qualify these companies for projects and contracts.

Stakeholder Consultation and Regulation of Margins

The Council of the Nigerian Content Development and Monitoring Board is required to engage with and consult relevant stakeholders in the industry and make regulations for the applicable margins of preference as regards procurement of all goods and services within the oil and gas industry within six months of the commencement of the Bill.





Establishment of New Directorates

Additional directorates, such as the Directorate of Project Certification and Authorization, Directorate of Accounts and Finance, and Directorate of Human Resources, are introduced, enhancing the Board's administrative and operational capacity.

Bid Preference for Indigenous Companies

A Nigerian Indigenous company shall not be disqualified from an award of contract bid solely based on not being the lowest bidder provided that the value does not exceed the lowest bid price by 5%. The Bill now provides a staple amount of N100,000,000 for contracts denominated in Naira which its operators are required to submit specific information to the Board for approval.

The Consultative body to be set up by the Board to provide a platform for information sharing and collaboration with respect to upcoming projects in the oil and gas industry and other information on the availability of local capabilities, has been renamed the Nigerian Oil and Gas Content Consultative Forum (NOGCCF).

Transparency Requirements

Every operator would be required to submit the Nigerian Content Annual Performance Report within 120 days from the beginning of each year, as against 60 days in the extant Act. It shall contain certain particulars of payments made to the Federal Government or its agency during the year under review.

Extended Tenure for Executive Secretary

The tenure of the Executive Secretary of the Council would be appointed for a term of five years and a further term of five years and no more, an upgrade from four years provided for in the old Act.



The bill seeks to amend the functions and responsibilities of the Board resulting in mutually beneficial Public Private Partnerships (PPP) with Nigerian financial institutions and Nigerian Indigenous companies to promote in-country manufacturing.



POTENTIAL IMPACT

The Bill aims to strengthen the self-reliance and economic benefits of Nigeria's oil and gas sector by promoting local participation and setting more transparent criteria for qualifying indigenous companies. It addresses the gaps in the extant Act by encouraging public-private partnerships and boosting local manufacturing and service provision.

With its focus on prioritizing Nigerian firms and fostering fair competition, the Bill has the potential to drive more inclusive growth. Additionally, the strengthened monitoring system ensures adherence to local content policies, allowing Nigerian businesses to play a more significant role in the industry and contribute to national economic development. Overall, the Bill is designed to bolster local economic resilience, stimulate industrial development, and elevate Nigeria's position in the global oil and gas industry.



STATUS OF THE BILL

The Bill passed its first reading in October 2023.



Other Legislative Developments

National Institute for Educational Planning and Administration (Establishment) Act 2024

The bill seeks to inter alia, establish the National Educational Planning and Administration Institute and provide the legal framework for its functions in the conduct of education, research, development, and other matters relating to educational planning, administration, capacity building, and training of education planners and administrators.

Status of the Bill

The Bill passed its second reading in April 2024, and it is likely to be passed into law as it is the first of its kind in the country and will position Nigeria to effectively tackle the systemic challenges in its education sector and lay the foundation for a more equitable, efficient, and high-quality education system.

A Bill for an Act to amend the Federal Road Safety Commission (FRSC) Act, 2007

The Bill proposes establishing a special armed unit within the FRSC, empowering officers to carry firearms for specific law enforcement duties aimed at ensuring officer safety, enforcing traffic laws in high-risk areas, and combating highway security threats like armed robbery and kidnapping. Additionally, the Bill seeks to grant Deputy Corps Marshals rank-based retirement benefits, including aide deployment and expanding the FRSC's sole authority over road traffic administration, safety management, crash prevention, and public education on road use. It also calls for adopting advanced technology systems like Automatic Vehicle Locators and Automated Traffic Enforcement to improve traffic management.

Status of the Bill

The bill passed its second reading in October 2024. The Bill is likely to be passed as the amendment seeks to strengthen its legal framework, enhance operational efficiency, and address emerging challenges in road safety management in Nigeria.

the Bill seeks to grant Deputy Corps Marshals rank-based retirement benefits, including aide deployment and expanding the FRSC's sole authority over road traffic administration, safety management, crash prevention, and public education on road use.



Constitution of the Federal Republic of Nigeria 1999 (Alteration) Bill, 2024

The proposed law is titled, "A bill for an Act to alter the provisions of the Constitution of the Federal Republic of Nigeria, 1999 (As amended) to allow for the participation of candidates who are not sponsored by political parties in the presidential, governorship, National Assembly, State Houses of Assembly and local government council elections. It seeks to allow independent candidates to stand for elective offices in future elections.

Status of the Bill

The bill passed its second reading in October 2024. It is likely to be passed into law as it aims to reduce party dominance, promotes accountability and meritocracy, encourages citizen-focused governance, aligns with global democratic practices, and fosters national unity by enabling inclusive representation. This reform ensures a more open and accountable political system, advancing Nigeria's democratic growth.

National Identity Management Commission (Repeal and Enactment) Bill 2024

The bill seeks to expand the scope of registration to include all residents of Nigeria, not just citizens. This includes the establishment of a comprehensive national identity database to manage the registration and issuance of identity credentials. The bill proposes that the registration process be made accessible at licensed centers both within Nigeria and abroad, thereby facilitating the inclusion of Nigerians in the diaspora. The bill's inclusivity has raised concerns among some lawmakers, who argue that broadening the eligibility criteria could lead to security challenges.

Status of the Bill

The bill passed its second reading at the National Assembly in September 2024. The bill is likely to be passed into law as it focuses on the inclusivity of all Nigerian citizens whether domestic or foreign residents.

Revenue Mobilization Allocation and Fiscal Commission Act (Repeal and Enactment) Bill, 2023

The Bill seeks to grant the Revenue, Mobilization, Allocation and Fiscal Commission (RMAFC) enforcement powers in monitoring accruals too, and disbursement of revenue from the federation account. It seeks to also enable the commission to apply sanctions in case of violation by government agencies as regards revenue and to make it unlawful for any agency of the government of the federation to withhold remittance into the federation account of revenues.

Status of the Bill

The bill passed its second reading at the National Assembly in May 2024 and was referred to the Committees on Finance, National Planning, and Economic Matters for a clause-by-clause review.



Miscellaneous Bills



- National Food Bank (Establishment) Bill, 2024
- National Directorate of Employment Act (Amendment)
- Health Infrastructure Development Agency (Establishment) Bill, 2023
- Nigeria National Internship and Unemployment Benefits Scheme Bill, 2023
- Documentation and Protection of Domestic Workers and Employees Bill, 2023
- A Bill for an Act to amend Family Economic Advancement Program Establishment Etc.2023
- Bill for an Act to Provide for Establishment of Chartered Institute of Business Educators of Nigeria (CIBEN) and for Related Matters.
- Nigeria Police Act (Amendment) Bill, 2024.
- Nigerian Railway Corporation Act (Amendment) Bill, 2023
- Violence Against Persons Act (Amendment) Bill, 2024
- Culture and Creative Industry Trust Fund (Establishment) Bill 2024
- Ecological Fund Commission (Establishment) Bill 2024
- Fire Hazard Prevention Bill 2024
- Informal Sector Employment Agents (Registration & Licensing) Bill, 2024
- National Cohesion and Integration Bill 2024
- Federal Universities of Technology Act (Amendment) Bill 2024
- Chartered Institute of Petroleum and Gas Engineers (Establishment) Bill 2024
- Nigerian Forest Security Service (Establishment) Bill 2024
- Nigerian Port Economic Regulatory Agency Bill 2024

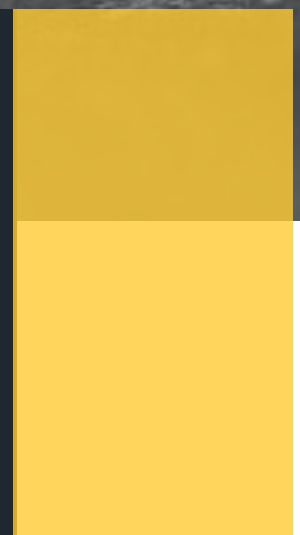


Conclusion

This report has provided a comprehensive analysis of the laws enacted in 2024 and the notable bills advancing through the legislative process, with a particular focus on their primary objectives and anticipated impacts. It has also identified pivotal legislative proposals that warrant close attention in the year ahead.

The legislative activity in 2024 has been marked by significant momentum, with several transformative bills nearing the threshold of enactment. As we approach 2025, the legislative agenda holds the potential to reshape Nigeria's economic and social architecture, heralding an era of consequential reforms.

As 2024 concludes, our commitment to tracking legislative activities remains steadfast. We will continue to evaluate the implications of these developments, offering insights into how they redefine the nation's legal and socio-economic frameworks, and positioning stakeholders to navigate the evolving legislative landscape effectively.





GLOSSARY OF TERMS

| ABBREVIATION | MEANING |
|--------------|---|
| CBN | Central Bank of Nigeria |
| CERTs | Computer Emergency Response Teams |
| FIRS | Federal Inland Revenue Service |
| FMI | Financial Market Infrastructures |
| FMOF | Federal Ministry of Finance |
| FRSC | Federal Road Safety Commission |
| ICT | Information Communication Technology |
| IMC | Interim Management Committee |
| ISA | Investment and Securities Act |
| NCF | Nigeria Cybersecurity Fund |
| NDIC | Nigerian Deposit Insurance Corporation |
| NDPA | Nigeria Data Protection Act |
| N-HYPADEC | National Hydroelectric Power Producing Areas Development Commission |
| NIN | National Identification Number |
| NITDA | National Information Technology Development Agency |
| NOGCCF | Nigerian Oil and Gas Content Consultative Forum |
| PPP | Public-Private Partnerships |
| SEC | Securities and Exchange Commission |
| SOCs | Security Operations Centers |



CONTACT US

Lagos

The Adunola, 401 Close, Banana Island, , Ikoyi, Lagos, Nigeria
lawyers@olaniwunajayi.net

Abuja

4th Floor Leadway House, Plot 1061, Cadastral Avenue,
Central Business District, Abuja, Nigeria.
ap@olaniwunajayi.net

Port Harcourt

17, Road 315, Flat 5, BICS Suites, 25 Herbert Macaulay Street,
Old GRA, Port Harcourt, Rivers State, Nigeria

London

29th Floor, 30 St Mary Axe, London. EC3A 8AF, United Kingdom
+44 (0) 207 337 6012

MUYIWA BALOGUN
MBALOGUN@OLANIWUNAJAYI.NET

WWW.OLANIWUNAJAYI.NET
+234 1 270 2551