



DOING BUSINESS IN NIGERIA

2024 HIGHLIGHTS | 2025 OUTLOOK



CONTENT

01 Foreword

02 Doing Business in Nigeria- Introduction

03 Business Landscape Overview

04 Key 2024 CAC Regulatory Highlights

05 Key 2024 FCCPC Regulatory Highlights

06 Key 2024 NDPC Regulatory Highlights

07 Employment and Labour Terrain



08

Tax Terrain

09

ESG & Sustainability

10

Real Estate Overview

11

Immigration Overview

12

Other Key Sectors

13

In Pursuit of Hope of Easing – Forward
Look for 2025

14

Glossary of Terms

Foreword

The Enterprise Team at Olaniwun Ajayi LP welcomes you to 2025. Our 2024 Doing Business in Nigeria Report presents a Wrap-Up as well as a Forward Look highlighting notable developments in the last year in Nigeria's business, corporate and regulatory landscape as well our projections for the year 2025. What a year 2024 was! Economic strains and challenges have continued to affect the business terrain in Nigeria. It was a year marked by both resilience and challenges for businesses operating in Nigeria. Despite persistent economic headwinds, the nation's entrepreneurial spirit has remained undeterred.

Our 2024 Doing Business in Nigeria Report offers a comprehensive overview of the significant developments that have shaped the business, corporate, and regulatory landscape. We delve into the key trends, opportunities, and risks that have impacted businesses of all sizes.

As we look ahead to 2025, we anticipate a more complex and yet dynamic environment. While certain challenges such as hyper-inflation, increased operating costs and regulatory changes may persist, there are also promising opportunities on the horizon. This report provides valuable insights to help businesses navigate the evolving landscape and position themselves for success.

We hope this Report serves as a valuable resource for businesses, investors, and policymakers alike, as they make informed decisions and chart a course for the future, 2025 and beyond.

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Mrs. Yimika Phillips

Partner, Enterprise Practice





2024 BUSINESS LANDSCAPE OVERVIEW

THE RISE AND RISE OF EVERYTHING

In 2024, Nigeria's business environment faced a turbulent but transformative landscape marked by significant macroeconomic challenges and major industry shifts. From changes in economic policies to energy sector changes, forex shortages, and pivotal developments in the import and customs space, each factor reshaped the economic terrain, and impacting both businesses and consumers.

The year was marked by an aggressive stance by the Central Bank of Nigeria (CBN) to control inflation which led to successive increases in the Monetary Policy Rate (MPR) led by the Monetary Policy Committee (MPC). Significantly, on 23 and 24 September 2024, members of the MPC voted to increase the MPR by 50 basis points to 27.25% which marked the fifth instance in 2024 whereby the MPC has adopted a hawkish stance. So far, in 2024, the MPC has raised the MPR by 850 basis points from 18.75% in January 2024.¹ This has created a tighter credit environment, straining businesses that rely on loans for expansion and operational costs. Meanwhile, rising interest rates have also curbed consumer spending, as both individuals and businesses have become cautious in the face of increased financing costs. The higher MPR, though aimed at controlling inflation, has inadvertently led to contractions in certain sectors, with small and medium enterprises (SMEs) particularly impacted due to their limited ability to absorb these costs.²

Adding to these challenges is Nigeria's enduring foreign exchange crisis, which has strained import-dependent businesses and fueled inflation across various sectors. In 2024, access to foreign exchange remained limited, creating a bottleneck that drove up costs for imported goods and disrupted supply chains.³ The ongoing forex scarcity has had a ripple effect, impacting businesses in sectors from manufacturing to retail and pushing up the cost of goods in an environment already grappling with inflation.

1. Nigerian Economic Summit Group(NESG) (2024), *Tightening Measures Persists Fifth Consecutive Rate Hike in 2024* <https://nesgroup.org/blog/Tightening-Measures-Persist-Fifth-Consecutive-Rate-Hike-in-2024> [Accessed 29 October 2024].
2. Tech Hive Advisory, *Understanding The Implications Of CBN's Monetary Policy Rate Hike To 26.25%* <https://www.techhiveadvisory.africa/insights/understanding-the-implications-of-cbns-monetary-policy-rate-hike-to-26-25> [Accessed 29 October 2024]
3. Nigerian Economic Summit Group(NESG) (2024), *Unstraining Productivity Growth in Nigeria: The Exchange Rate Perspective*, <https://www.ajol.info/index.php/epr/article/view/274740/259354> [Accessed 29 October 2024]

As of the first quarter of 2024, the Naira exchange rate had depreciated to an average of ₦1338.21/US\$1.00. Despite the CBN's persistent efforts to manage the exchange rate market, the impact on stabilising the Naira and supporting productivity remained insignificant.

The energy sector was not exempt from the rise-and-rise effect experienced throughout 2024. Generally, fuel prices have surged from ₦198 per litre to an astonishing ₦1,030 per litre in just 18 months, further exacerbating inflationary pressures on goods and services.⁴ The rise which started following President Bola Tinubu's fuel subsidy removal in his inaugural speech has profoundly impacted transportation and logistics, directly affecting the cost of production for most businesses in Nigeria. In addition, there was a simultaneous hike in electricity tariffs during the year. In Q2, the Nigerian Electricity Regulatory Commission (NERC) announced a substantial tariff increase for Band A customers, raising the average rate from ₦68/kWh to ₦225/kWh, marking a staggering 300% surge.⁵ With these increases, businesses have experienced a steep rise in operational expenses, particularly in industries where energy constitutes a significant portion of production costs. The above along with other macro-economic changes has led to the cessation in operation of an estimate of about 8,000,000 small businesses between January 2023 to June 2024, according to the Association of Small Business Owners of Nigeria (ASBON).⁶

Businesses in trade and imports, meanwhile, also faced challenges stemming from new policies by the Nigerian Customs Service (NCS). In April, the NCS raised the Customs FX duty rate from ₦1,164.84/\$1.00 to ₦1,327.35/\$1.00, effectively increasing the cost of imported goods. Importers are bearing the brunt of this adjustment, as they contend with higher customs fees alongside existing forex constraints. This represents a 14% increase in rate compared to the old rate of ₦1,164.84/\$1.00 previously used for the opening Form M and an increase by ₦162.51 on each Dollar needed to clear goods at the port.⁷ The increased customs exchange rate has introduced additional complexity for businesses that rely on imports, potentially incentivizing local production and import substitution for certain goods.



Amid these economic headwinds, the commencement of operation by the Dangote Refinery in the first quarter of 2024 stands out as a major milestone with the potential to reshape Nigeria's oil sector.⁸ With its extensive capacity, the refinery has the capability to meet 100% of Nigeria's domestic demand for all refined products. Billed as Africa's largest of its type, the 650,000 barrel-per-day, Dangote refinery could be a game changer for Nigeria's economy when fully operational by putting an end to the country's reliance on fuel import.⁹ The operations of the in-country refinery is positioned to boost local industries by improving access to fuel and other petroleum products needed for production.¹⁰

4. BusinessDay, The Burden of Progress- Navigating Nigeria's Rising Fuel Prices <https://businessday.ng/editorial/article/the-burden-of-progress-navigating-nigerias-rising-fuel-prices/> [Accessed 29 October 2024]
5. Possible Ripple Effects of the Tariff Increase for Band A Customers in Nigeria <https://www.energymrc.ng/possible-ripple-effects-of-the-tariff-increase-for-band-a-customers-in-nigeria/> [Accessed 29 October 2024]
6. Eight Million Small Businesses Have Closed in Nigeria From Jan 2023 to June 2024 – ASBON (2024) https://tekedia.com/eight-million-small-businesses-have-closed-in-nigeria-from-jan-2023-to-june-2024-asbon/?srsltid=AfmBOoruFx-K607Xw_jN0MdlTB80O2Z5NX8J_8Ly7tloVRkcP_wqfglJ [Accessed 29 October 2024]
7. Business Day CBN raises Customs FX duty rate for cargo clearance by 14% <https://businessday.ng/news/article/cbn-raises-customs-fx-duty-rate-for-cargo-clearance-by-14/> [Accessed 29 October 2024]
8. Nigerian Economic Summit Group, Research Document: NESG Foreign Trade Alert 2024 Q1 <https://nesgroup.org/researchdocument/nesg-foreign-trade-alert-2024-q1> [Accessed 30 October 2024]
9. Nigerian Economic Summit Group, <https://www.nesgroup.org/blog/Dangote-Refineries-and-Petrochemical-Company:-Nigeria%27s-Transformative-Leap-in-Energy-Independence>
10. 6 Powerful Insights into the Dangote Refinery and Trade Policy: Transforming Nigeria's Economy (2024) <https://samsoyombo.com/6-powerful-insights-into-the-dangote-refinery/> [Accessed 30 October 2024]

In the aviation industry, the return of Delta¹¹ and Emirates¹² Airlines signal renewed interest and confidence in Nigeria as a key market, although challenges remain. After temporarily halting operations in 2022, both airlines have resumed flights, reflecting gradual improvements in forex availability for international carriers and adjustments to policy to accommodate foreign airlines. Their return brings more options for travellers and facilitates international business connections, which may, in turn, support trade and tourism sectors. However, the resumption of these airlines highlights Nigeria's ongoing need for a stable and investor-friendly business environment to attract and retain international business.

These macroeconomic and sectoral shifts occur against the backdrop of a persistent cash crunch, a consequence of the CBN's cashless policy push in January 2023 by placing significant limits on the cash withdrawals by individuals and corporates. In July, the Nigeria Inter-Bank Settlement System (NIBSS) reported that electronic payment transactions in Nigeria were about ₦89.5 trillion bringing the total volume for the year to ₦566.3 trillion.¹³ Despite efforts to alleviate cash shortages, liquidity issues continued to affect various sectors, particularly informal markets and smaller businesses that rely heavily on cash transactions. This situation has led to a decline in consumer spending and disrupted the cash flow of many businesses, further stressing the economy.



Business and consumers alike are greatly impacted by the effects of factors like rising inflation, increasing costs of fuel, electricity, imports, and limited access to foreign exchange on the Nigerian economy.

The combined impact of rising inflation, increasing costs of fuel, electricity, imports, and limited access to foreign exchange has had profound effects on the Nigerian economy. Businesses are adopting strategies to manage these challenges, such as cost-cutting measures and exploring local alternatives to imported inputs. For consumers, the shrinking purchasing power has led to adjustments in spending behaviour, with more households prioritizing essential goods and services over discretionary spending. This evolving dynamic underscores the resilience of both businesses and consumers as they navigate an environment marked by economic uncertainty and adapt to the shifting demands of Nigeria's complex business landscape. The path forward for Nigeria requires policy adjustments and reforms that can stabilize the macroeconomic environment, foster greater investment, and support sustainable growth amid these ongoing challenges.

11. Independent Newspaper, Two years after, Delta Airlines Reinstates Lagos-New York Route <https://independent.ng/two-years-after-delta-airlines-reinstates-lagos-new-york-route/> [Accessed 30 October 2024]
12. Punch Newspaper, Emirates return to Nigeria two years after <https://punchng.com/emirates-return-to-nigeria-two-years-after/#:~:text=The%20airline's%20aircraft%20landed%20at,funds%20have%20successfully%20been%20repatriated.> [Accessed 30 October 2024]
13. Nairmetrics, NIBSS: E-payment transactions in Nigeria hit ₦89.5 trillion in July 2024, highest monthly record, available at: https://nairmetrics.com/2024/09/25/nibss-e-payment-transactions-in-nigeria-hit-n89-5-trillion-in-july-2024-highest-monthly-record/#google_vignette [Accessed 31 October 2024]



KEY ECONOMIC INDICATORS

Nigeria's economic and business landscape in 2024 was shaped by several key indicators that underscore both domestic challenges and the impact of global economic trends. Gross Domestic Product (GDP) growth, one of the primary indicators of economic health, has shown a slow but persistent recovery in recent years. As of H1, 2024, the real GDP expanded by 3.1%, representing a fast pace compared to H1 and H2, 2023. The non-oil sector which accounted for 94.42% of the real GDP remained the major driver of economic activity. However, growth remained limited when compared to 94.52% for the same period in 2023, primarily driven by sectors such as agriculture, trade, and manufacturing, while construction and transport sectors struggled due to high production costs, energy shortages, and forex limitations.¹⁴

In 2024, there were sharp increases in inflation rates in Nigeria, with year-on-year inflation recently hitting double-digit figures hovering above 20% in some estimates largely due to the removal of fuel subsidies, rising energy costs, and import inflation driven by forex scarcity.¹⁵ Food inflation is particularly severe, with prices escalating due to supply chain disruptions, high transportation costs, and local production shortfalls. Specifically, Food inflation increased from 23.75% in December 2022 to 33.9% in December 2023 and 40.66% in May 2024.¹⁶ The high inflation rate eroded purchasing power and constrains consumer spending, impacting both household welfare and business revenue.

Nigeria's foreign exchange reserves remain under pressure as the country contends with reduced petroleum oil production levels, oil theft, and volatility in global oil prices, which collectively limited dollar inflows. Although oil still contributes significantly to foreign exchange reserves, revenues are insufficient to meet import demand. Nigeria's foreign reserves grew by a notable \$5.57 billion over six months, rising from \$33.04 billion on April 8, 2024, to \$38.61 billion by 3 October 2024, underscoring the resilience of the country's external position despite ongoing global economic challenges and external factors.¹⁷ With reserves standing around \$33-35 billion, the CBN had tightened forex access, prioritizing essential imports but contributing to a parallel market with higher rates that make importing more costly. This dynamic has intensified Nigeria's reliance on the parallel market for forex, complicating pricing structures and further driving inflation.

14. Nigerian Economic Summit Group, State of the Economy H1 2024 available at <https://www.nesgroup.org/researchdocument/nesg-h1-2024-outlook-report#:~:text=In%20H1%2D2024%2C%20the%20economy,compared%20to%20the%20previous%20half.> [Accessed 31 October 2024]

15. Nairametrics, Nigeria's inflation rate to rise due to fuel price hike available at: <https://nairametrics.com/2024/10/14/nigerias-inflation-rate-to-rise-due-to-fuel-price-hike-world-bank-says/> [Accessed 31 October 2024]

16. Afrexim Bank Nigeria Country Brief, (2024) available at https://media.afreximbank.com/afrexim/Country_Brief_Nigeria_2024.pdf [Accessed 31 October 2024]

17. ThisDay Live, Foreign Reserves Surged by \$5.57bn in Six Months Despite Volatile Global Markets <https://www.thisdaylive.com/index.php/2024/10/09/foreign-reserves-surged-by-5-57bn-in-six-months-despite-volatile-global-markets/> [Accessed 31 October 2024]

Global economic trends are also impacting Nigeria's economy. The global energy crisis and rising interest rates in developed economies have led to higher capital outflows from emerging markets like Nigeria, as investors seek safer assets in stronger currencies. The strengthening of the U.S. Dollar has exacerbated pressure on the Naira, making it costlier for Nigeria to import essential goods, including fuel and agricultural products. Additionally, disruptions in global supply chains following Russia's invasion of Ukraine and high shipping costs due to lingering effects of the COVID-19 pandemic and geopolitical tensions have further strained Nigeria's import-reliant economy.¹⁸

In sum, Nigeria's economic indicators reveal a complex scenario, with moderate GDP growth overshadowed by high inflation, constrained foreign exchange reserves, and the challenging impact of global economic conditions. Addressing these issues will require policies aimed at strengthening economic diversification, improving energy infrastructure, and fostering a stable investment environment.



EXIT OF COMPANIES FROM NIGERIA

In 2024, Nigeria continued to experience the flight effect of major multinationals in various sectors of the economy which had started a few years ago. In the first half of the year, high-profile exits included PZ Cussons Nigeria PLC, Kimberly-Clark Nigeria, and Diageo Plc.¹⁹ These departures are part of a larger trend of foreign firms, especially those based in western nations, re-evaluating their long-term strategies in the region, often citing reasons such as economic volatility, regulatory challenges, or strategic realignment towards higher-growth markets. These exits signify the temperature of major multinationals towards the business environment in Nigeria and constitutes a part of the running theme that the legal and regulatory climate for businesses in Nigeria is volatile.

However, Nigeria remains attractive to Asian companies, which continue to establish a foothold in sectors like manufacturing, retail, and pharmaceutical. To illustrate, Diageo Plc.'s controlling stake in Guinness Nigeria Plc. was fully acquired by Singapore's Tolaram Group Inc. Additionally, there seem to remain some attraction to the Nigerian business landscape despite the increasing challenges and exits. The Fouani Group, a local firm, operates a diaper and sanitary pad plant in a complex where Cincinnati-based Procter & Gamble Co. shuttered a \$300million facility making the same products.

18. World Bank Group, Nigeria Overview: Development news, research data <https://www.worldbank.org/en/country/nigeria/overview> [Accessed 31 October 2024]

19. International Centre For Investigative Reporting (ICIR), Tinubu's One Year: Companies that have exited Nigeria <https://www.icirnigeria.org/tinubu-one-year-companies-that-have-exited-nigeria/> [Accessed 31 October 2024]



Nigeria's economic indicators reveal a complex scenario, with moderate GDP growth overshadowed by high inflation, constrained foreign exchange reserves, and the challenging impact of global economic conditions...

Similarly, Fidson Healthcare Plc. is expanding its manufacturing range after the UK's GSK Plc. closed its Nigerian distribution arm. Also, Turkish diaper maker, Hayat Kimya AS has also established itself in Nigeria. This ongoing investment points to Nigeria's enduring appeal due to its large consumer base, growing urbanization, and strong potential as a gateway to the West African market.

In addition, the withdrawal of certain foreign players is creating room for local firms to expand and capture market share, potentially leading to a more domestically anchored economy. As at Q4 2024, Nestle Nigeria expanded its local input sourcing in cocoa to 100%. Similarly, Emzor Pharmaceutical Industries Limited is building a \$23million active pharmaceutical ingredients (APIs) plant in Sagamu, Ogun State. Upon completion, the plant is expected to churn out 400 metric tonnes of APIs annually. Other significant expansions in the year included BUA Cement completing the construction of its 3million mtpa Obu II cement plant in Okpella, Edo State, and Eraskorp Nigeria Limited setting up a \$50million Eraskon Lubricant Blending Plant with 128,000 litres-per-day production capacity in Gbarain, Yenagoa, Bayelsa State.²⁰

The Nigerian technology startup ecosystem also flourished throughout the year. In Q1, about five startups- Cleva, Klas, Moove, MDaaS and Zone- collectively raised \$160million in funding representing the bulk of the funding investments on the continent and an increase from Q1 2023's total funding of \$42.6million.²¹ This is an even more impressive feat considering the global decline of funding to tech startups over the past few years. The upward trend in Nigeria represents the potential for it to become a world-class business hub for technology startups to thrive and may likely be attributed to the confidence driven by the Nigeria Startup Act 2022.

These dynamics underscore a transitional period for Nigeria's economy. While the exit of established players could signal challenges in the operating environment, the entrance of Asian companies and the rise of local enterprises may bring renewed investment, job creation, and innovation, potentially shifting Nigeria's economic future in a more self-sustaining direction.

20. Business Day, Firms expand Nigerian operations despite economic crunch <https://businessday.ng/news/article/firms-expand-nigerian-operations-despite-economic-crunch/> [Accessed 31 October 2024]

21. How The Nigerian Tech Industry Performed in Q1 of 2024: Funding and Growth Areas (2024) <https://www.verivafrika.com/insights/how-the-nigerian-tech-industry-performed-in-q1-of-2024-funding-and-growth> [Accessed 9 November 2024]



2024 WRAP-UP



KEY 2024 CORPORATE AFFAIRS COMMISSION (CAC) REGULATORY HIGHLIGHTS: IMPACTS ON DOING BUSINESS IN NIGERIA



STRIKING OFF COMPANIES FROM THE REGISTER

On 23 July 2024, the Corporate Affairs Commission (CAC or “the Commission”) issued a public notice announcing its intention to strike off from the Companies’ Register (the “Register”) names of defunct or dormant companies that had defaulted in filing their annual returns for a period of ten (10) years and over²². This action was grounded in the provisions of sub-sections 692(3) and (4) of the Companies and Allied Matters Act (CAMA or “the Act”) 2020. The notice granted these identified dormant companies²³ the opportunity to remedy their default by submitting all outstanding annual returns and providing email confirmation to the Commission at activation@cac.gov.ng within ninety (90) days from the issuance date of the public notice. This grace period, ended on 21 October 2024, and Companies that failed to comply within the ninety-day window were struck off, resulting in the loss of their legal status and removal from the register.

As a background to the above, by section 425(3) of CAMA, the Commission uses annual returns as an indicator of a company’s continued existence, and companies that fail to file their annual returns for ten consecutive years face possibility of being struck off from the Commission’s register. Accordingly, section 692(3) of CAMA authorizes the Commission, upon observing or having reasonable grounds to believe that a company has ceased operations or has been inactive for ten (10) years, to publish a notice of its intent to strike the company off the Register. This notice is required to be published in at least three (3) national daily newspapers. Subsection 4 further provides that if the Commission does not receive a response from the company within ninety (90) days of the final publication, confirming that it is still operational, the Commission may proceed to remove the company’s name from the Register.

Upon the expiration of the grace period on 21 October 2024, the Commission exercised its statutory authority under CAMA by striking off the names of companies that failed or neglected to update their annual returns.²⁴ On 20 November 2024, pursuant to Section 692(4) of CAMA, the Commission implemented the removal of non-compliant companies from the corporate register, in accordance with the directive outlined in the notice issued on 23 July 2024. This action served to uphold the provisions of CAMA while safeguarding the integrity of Nigeria’s corporate registry by ensuring it reflects only active and compliant entities. Furthermore, supports the overarching goal of promoting a transparent and accountable business environment, discouraging prolonged non-compliance among registered companies.

22. Corporate Affairs Commission (CAC). (2024). Notice of Intention to strike-off-companies from the register. 23 July 2024 Available at: <https://www.cac.gov.ng/notice-of-intention-to-strike-off-companies-from-the-register/> [Accessed: 30 October 2024]

23. Corporate Affairs Commission (CAC). (2024). Notice of Intention to strike-off-companies from the register. Available at [ar-default-jul-16-2024.xlsx](#) [Accessed: 30 October 2024]

24. Corporate Affairs Commission (CAC). (2024). Notice Of Striking Off Companies From The Register. 20 November 2024 Available at: <https://www.cac.gov.ng/notice-of-intention-to-strike-off-companies-from-the-register/> [Accessed: 02 December 2024]



CAC ANNOUNCED ITS INTENTIONS TO CANCEL REGISTRATION CERTIFICATES OF BUREAU DE CHANGE (BDC) OPERATORS WHOSE LICENSES HAVE BEEN REVOKED



Another notable regulatory update occurred on 27 February 2024, where the CBN revoked the operational licenses of 4,173 Bureau De Change (BDC) operators due to non-compliance with regulatory guidelines.²⁵ Following this action, the CAC exercising its authority under section 8(1)(e) of CAMA issued a public notice of its intent to cancel the certificates of incorporation of the affected BDCs.²⁶ According to the notice published on the CAC's website, the affected BDCs are required to change their names and objects within three months of the date of the notice. The CAC emphasized that non-compliance with this directive will result in the cancellation of their certificates of incorporation, leading to their formal dissolution. The legal implications of this cancellation are considerable, as any company dissolved under this process is legally prohibited from continuing its business operations.

The actions by both the CBN and the CAC reflect a robust regulatory stance focused on enforcing strict compliance and ensuring that only entities meeting established guidelines can operate in Nigeria's financial sector. The CAC's directive sends a clear signal to the affected companies, emphasizing the need for immediate action to avoid significant repercussions. Specifically, the requirement for BDCs to change their names and business objects implies a need to reassess and realign their business models to fully comply with regulatory standards in order to maintain their operations. Non-compliance not only risks the cancellation of certificates of incorporation but also carries legal implications for conducting business without valid authorization.

In sum, the CBN's revocation of licenses for 4,173 BDC operators, followed by the CAC's directive to alter names and objects within a three-month period, underscores the critical importance of regulatory compliance within Nigeria's financial sector. These actions highlight the potential consequences for those failing to adhere to set standards, serving as a reminder of the serious implications of non-compliance.

25. Central Bank of Nigeria (CBN). (2024). CBN Revokes Operational Licenses of 4,173 BDC. 1 March 2024 Available at [CBN Press Release \(BDCs Revocation\) 010324 .pdf](#) [Accessed: 30 October 2024]

26. Corporate Affairs Commission (CAC). (2024). Notice Of Intention to Cancel Certificates of Incorporation of Bureau De Change Companies Whose Licenses Were Revoked by The Central Bank of Nigeria. 10 July 2024 Available at [NOTICE OF INTENTION TO CANCEL CERTIFICATES OF INCORPORATION OF BUREAU DE CHANGE COMPANIES WHOSE LICENSES WERE REVOKED BY THE CENTRAL BANK OF NIGERIA.](#) | Corporate Affairs Commission [Accessed: 30 October 2024]



The Corporate Affairs Commission (CAC) had mandated that all Point of Sale (PoS) operators and fintech merchants, including Sole Agents, Super-Agents and Agents in Nigeria must register their companies by 7 July 2024.²⁷ This requirement aligns with the Central Bank of Nigeria (CBN) guidelines on agent banking aimed at promoting compliance and enhancing the overall integrity of the financial sector.²⁸ The regulation arises in response to the rapid growth of the fintech and digital payment landscape in Nigeria, which has seen a surge in PoS transactions and fintech innovations²⁹. As more consumers and businesses turn to electronic payment methods, the need for regulatory oversight has become crucial to ensure that these operators adhere to legal and operational standards. By mandating registration, the CAC aims to create a more structured and accountable environment for financial transactions in the country.

How Does This Affect POS Operators

Starting a PoS business in Nigeria had a low entry threshold, making it a popular choice for supplemental income, with over 1.9 million agents nationwide. The popularity of the PoS business increased with Naira scarcity in 2023. However, the new requirement to register as a formal business posed a high regulatory hurdle to what was previously simple onboarding process, especially for agents in remote areas. While this formalization is intended to bolster operators' credibility and improve their access to funding and partnerships, it also reflects a broader trend toward increased regulation of the fintech sector globally. With digital financial services expanding rapidly, governments worldwide are implementing frameworks to address the unique challenges posed by tech-driven businesses. Nigeria, where fintech is evolving swiftly, sees these regulations as essential to fostering innovation, protecting consumers, and ensuring financial stability.

The registration requirement is also expected to enhance the government's ability to monitor and regulate financial transactions effectively and reduce fraudulent transactions that had become rampant. By establishing a formal registry of PoS operators, authorities can more readily track financial activities, detect potential fraudulent behaviours, and combat money laundering and other illicit activities. Aligning with Nigeria's broader economic goal of increasing financial inclusion, this initiative aims to extend secure and regulated financial services across the population, ultimately supporting economic growth and stability under the Central Bank of Nigeria (CBN) regulations.

27. Corporate Affairs Commission (CAC). (2024). Public Notice: CAC And Fintech Operators. 7 July, 2024 Available at [PUBLIC NOTICE: CAC AND FINTECH OPERATORS | Corporate Affairs Commission](#) [Accessed: 30 October 2024]

28. Central Bank of Nigeria (CBN). (2023). 9 March 2023. Available at [Regulatory Framework for Agent Banking - Exposure Draft - Copy.pdf](#) [Accessed: 6 November 2024]

29. Statista Market Insights. (2024). Digital Payments. Available at: [Digital Payments - Nigeria | Statista Market Forecast](#) [Accessed: 6 November 2024]



CAC GUIDELINES FOR RECAPITALIZATION OF BANKS AND OTHER FINANCIAL INSTITUTIONS



Pursuant to the powers conferred on it, the CAC released new guidelines for the recapitalization of banks and other financial institutions in Nigeria.³⁰ The guidelines, issued pursuant to the Commission's powers under Section 8(1)(e) of CAMA 2020, aim to streamline the process of recapitalization for these institutions.

It covers four main areas: new incorporation, increase in share capital, merger, and upgrade or downgrade of license authorization. For new incorporations, the CAC requires an approved name reservation or availability, approval-in-principle from the sector regulator, a duly completed online incorporation form, and payment of stamp duty and filing fees for the category of license authorization. The Commission pledged to issue certificates of incorporation within 24 hours for applications that satisfy all requirements.

In the case of an increase in share capital, companies have the options of private placements, rights issues, and/or offers for subscription. The required documents include a duly signed company resolution, a return of allotment, a statutory declaration by directors verifying that the issued share capital is fully paid-up, and an affidavit deposed to by a director of the company stating that regulatory approval is required for the increase. The CAC will issue a letter acknowledging the notice of increase and the requirement of regulatory approval, and upon filing of the regulatory approval, a certificate of increase will be issued within 24 hours.

For mergers, the CAC requires duly signed special resolutions for merger by each of the merging companies, a Scheme of Merger approved by the Securities and Exchange Commission (SEC), certified true copies of court orders authorizing extraordinary general meetings (EGM) of each of the merging companies, evidence of publication of court-ordered meetings in two newspapers and the Federal Gazette, and a certified true copy of the court order sanctioning the scheme of merger.

The guidelines clarify that no additional filings are necessary when upgrading or downgrading a license authorization. For any questions or issues related to these guidelines or applications submitted as part of the recapitalization process, the CAC had made available an email address for inquiries and support³¹.

30. Corporate Affairs Commission (CAC) (2024). Public Notice: Guidelines for Recapitalization of Banks and Other Financial Institutions. Available at [GUIDELINES FOR RECAPITALIZATION OF BANKS AND OTHER FINANCIAL INSTITUTIONS | Corporate Affairs Commission](#) [Accessed: 30 October 2024]

31. bankrecapitalization@cac.gov.ng



SUIT NO: FHC/ABJ/CS/665/2023: PRIMETECH DESIGN AND ENGINEERING NIGERIA LIMITED ("PRIMETECH") AND ANOR. V. CORPORATE AFFAIRS COMMISSION ("CAC")

Legislative amendments and repeals impact entities in various ways, influencing their rights and obligations. New legislation, such as the Companies and Allied Matters Act (CAMA) 2020, often leads to debates regarding its effects on existing legal situations. This was evident in **Primetech v. CAC**, where the implications of changes introduced by the Companies and Allied Matters Act (CAMA) 2020 were tested in court.

It will be recalled that CAMA 2020 brought substantial reform including changes and innovations to the corporate sector in Nigeria, addressing issues from company formation to compliance, reporting, and shareholder requirements. One significant change was introduced under section 18(2) of CAMA 2020, which changed the legal minimum membership for private companies to a single member. Under the previous CAMA 1990, the minimum number of members for any company was two and restricted companies from reducing their shareholders below this threshold.

Background Facts

Primetech Design and Engineering Nigeria Limited, a company incorporated before 2020 as a two-member private company, sought to restructure its shareholding, with Julius Berger as its sole shareholder. However, the Corporate Affairs Commission (CAC) refused to register this change, arguing that the single-member provision only applied to companies incorporated after CAMA 2020 was passed into law³². Aggrieved by the refusal of the CAC, Primetech challenged this decision in court. The Federal High Court ruled in favor of Primetech, declaring CAC's refusal invalid. The Court noted that CAMA 2020 repealed CAMA 1990, meaning that its provisions no longer applied to companies incorporated before 2020³³. The Court concluded that limiting the single-member provision only to companies formed under CAMA 2020 would contradict legislative intent and result in discriminatory treatment against pre-2020 companies. More so, it would, in the court's opinion, absurdly mean that the provisions of CAMA 1990 (a repealed Act) continued to apply to the companies.

To further support its opinion, the Court relied on section 118 of CAMA 2020 which makes the offence of carrying on business with less than two members applicable to public companies and companies limited by guarantee alone, unlike section 93 of CAMA 1990 which make the offence apply to all companies. Accordingly, the Court found that the legislative intent of CAMA 2020 was to permit private companies regardless of their date of incorporation to have a single member. Thus, the case was resolved in favour of Primetech.

32. The section begins with "as from the commencement of this Act"

33. *Madumere v. Onouha (1999) LPELR-66658(CA)*

Implications of the judgment of the Court



Although a decision of the High Court and therefore open to appeal by higher courts, including the Court of Appeal and Supreme Court, the decision remains authoritative for the time being. Courts of similar jurisdiction are likely to follow it as a persuasive precedent in similar cases.

Key points to be drawn from the decision

01

Possibility of reduction of members for Pre-2020 Companies:

The decision is to the effect that private companies incorporated before the commencement of CAMA 2020 can take advantage of section 18(2) and reduce their number of members to one.

02

Winding-Up Protection:

The decision is also a pointer that private companies incorporated before CAMA 2020 cannot be wound-up for having less than two shareholders, if the company has chosen to take advantage of section 18(2) in having a single member unless such is restricted by the Memorandum and Articles of Association of the company.

It is important to note that at the time of writing this Report, the CAC is yet to commence complying with the judgment of the Federal High Court in this matter.



KEY 2024 FEDERAL COMPETITION AND CONSUMER PROTECTION COMMISSION (FCCPC) REGULATORY HIGHLIGHTS: IMPACTS ON DOING BUSINESS IN NIGERIA

Earlier in 2024³⁴, the Federal Competition and Consumer Protection Commission (FCCPC) released reports on its investigation into misleading branding and labelling practices and allegations of anticompetitive conducts by Coca Cola Nigeria Limited and the Nigerian Bottling Company Limited (the **Coca Cola Report**)³⁵ and its investigation into possible violations of the rights of Nigerian consumers in the provision of contact-based instant messaging service in Nigeria and enquiries into obnoxious, exploitative, and unscrupulous business practices by WhatsApp LLC and Meta Platforms, Inc. In contravention of the provisions of the Federal Competition and Consumer Protection Act, 2018 (FCCPA) (the **WhatsApp Report**)³⁶.



Warning Note By The Federal Competition And Consumer Protection Commission To Coca-Cola On Unfair Marketing Tactics

The Coca Cola Report investigation began in June 2019 when FCCPC became aware that Coca Cola Nigeria Limited (**Coca Cola Nigeria**) and the Nigerian Bottling Company (**NBC**) (the **Companies**) had introduced, to the market, a new variant of its Coca-Cola (Coke) drink which was named the 'Coke Original Taste- Less Sugar'. This was done without any publicity or notice to the consumers with the new variant nearly identical to the packaging of the Coke Original. Further, FCCPC discovered that such action had already been taken to Limca, the lemon-lime flavoured drink, which appeared to have two variants with different tastes, compositions and nutritional value but were not distinguishable as they were packaged in identical bottles, have identical brand design and the same National Agency for Food and Drug Administration and Control (NAFDAC) registration numbers.

34. 29 July 2024

35. <https://fccpc.gov.ng/wp-content/uploads/2024/07/Report-Investigation-of-Coca-Cola-Nig-Ltd-and-NBC-Business-Practices.pdf>

36. <https://fccpc.gov.ng/wp-content/uploads/2024/10/Investigative-Report-FCCPC-WhatsApp-13.11.23-1.pdf>

The Coca Cola Report investigation sought to determine the following issues:



Whether the labelling, packaging and branding of Coca-Cola products are misleading or likely to mislead consumers.



Whether the Companies provided misleading and or false information to the Commission.



Whether Coca-Cola's product pricing is indicative of an abuse of market dominance.

During the investigation, FCCPC engaged with the Companies and approved a new packaging design for Coke Original Taste-Less Sugar in order to ensure that it was sufficiently distinguished from the packaging of Coke Original to solve the mischief of misleading consumers. The Companies initially agreed and made plans and timelines to effect the changes, which FCCPC agreed to, but they never did effect the changes but chose to discontinue all the Coke Original PET SKUs and continue to produce the variant in the can packaging only. In FCCPC's opinion, this did not cure the mischief as consumers could still be misled. The Companies further engaged FCCPC with a new set of designs for the Coke Original variant in PET, but FCCPC rejected the new set of designs as they did not satisfy the need to ensure consumers were not misled. However, FCCPC discovered that prior to seeking its approval, the Companies had re-introduced the Coke Original variant in PET in the designs the Companies sought its approval on, and it was already being sold. The Companies also sought to use advertisement to sensitize the consumers on the differences, but FCCPC determined that the effort put in the advertisement paled in comparison with other advertisement campaigns and was insufficient to alert consumers to the relevant distinguishing factors between the two variants.

As a result of these events, FCCPC continued its investigation and found the following:



That the Companies knowingly and intentionally applied a trade description to the Coca-Cola Less Sugar variant that could reasonably mislead consumers as to the nature and feel of the drink, in such a manner that consumers would assume that the product was the Coca-Cola Original Taste variant.

That NBC, by producing and distributing the two variants of Limca Lime-Lemon flavoured drink in the same packaging and brand design and using the same NAFDAC registration number for both products, impliedly and falsely communicated to the consumer that both products are the same and thus misled and deceived consumers.

That NBC, on at least four occasions, provided false and misleading information to the Commission, in violation of Section 112 of the FCCPA; and that Coca-Cola Nigeria, on at least one occasion, misled the Commission.



\$220million Fine Imposed On Whatsapp By FCCPC Over Alleged Discriminatory Practices Against Nigerian Data And Consumers.

The WhatsApp Report investigation began when FCCPC, through its investigative panel, became aware of the then WhatsApp's Updated Privacy Policy (Policy) which became effective on 15 May 2021³⁷. According to the FCCPC, this Policy, was foisted on Nigerian users in a manner that did not meet applicable standards of fairness, particularly with regards to voluntariness of acceptance or consent to the Policy. FCCPC enquired into this Policy and provided WhatsApp, which was dominant in the defined market it operates in Nigeria, the opportunity to explain and clarify the findings of the FCCPC as it issued an Order to Show Cause (OSC) pursuant to Section 17 of the FCCPA³⁸. Meta Platforms, Inc. (Meta), being WhatsApp's parent company, was also included in the investigation as it exercises control over the business practices of WhatsApp. Also, evidence also showed that some benefits came to Meta from the updated Privacy Policy.

The FCCPC maintained that notwithstanding the protection afforded to Nigerian users under the Nigeria Data Protection Regulation (NDPR), which is similar to Europe's General Data Protection Regulation (GDPR), yet WhatsApp and Meta adopted different policies for both jurisdictions. FCCPC collected more evidence to reiterate this position and conducted an independent market survey which reinforced this position. Upon being satisfied that WhatsApp and Meta had contravened the laws of Nigeria, it closed the investigation, and the panel made several recommendations, and a Final Order and Notice entered. The orders are summarized as follows:

Meta Parties shall immediately reinstate the rights of Nigerian users to self-determine and control the use of their data and provide an opportunity to restrict and withdraw their consent without losing functionality or deleting the application.

Meta Parties shall immediately ensure that their Privacy Policy complies with the applicable data protection laws in Nigeria with respect to its obligation to ensure data subjects consent freely to any Privacy Policies;

Meta Parties shall immediately and forthwith stop the process of sharing WhatsApp user's information with other Facebook companies and third parties, until such a time when users have actively and voluntarily consented to each. This shall not be done without the requisite regulatory approvals;

Meta Parties shall immediately revert to the data sharing practices adopted in 2016.

Meta Parties shall immediately and forthwith, cease the tying and transfer of data from its WhatsApp market to its Facebook market, and other third parties' services without express consent sought and freely obtained from data subjects;

Meta Parties shall be required to provide satisfactory Written Assurances to the Commission to the effect that they shall refrain from any and all continuation of the violations of the FCCPA;

Meta Parties shall reimburse the Commission the cost of the investigation in the sum of \$35,000 (Thirty-Five Thousand U.S. Dollars only) and pay a penalty of \$220,000,000 (Two Hundred and Twenty Million U.S Dollars only) (at prevailing exchange rate where applicable).

37. <https://fccpc.gov.ng/wp-content/uploads/2024/07/Release-In-the-Matter-of-Meta-Platforms-Inc.-and-WhatsApp-LLC.pdf>
38. <https://fccpc.gov.ng/wp-content/uploads/2024/10/Investigative-Report-FCCPC-WhatsApp-13.11.23-1.pdf>



KEY 2024 NATIONAL DATA PROTECTION COMMISSION (NDPC) REGULATORY HIGHLIGHTS: IMPACTS ON DOING BUSINESS IN NIGERIA



NATIONAL DATA PROTECTION COMMISSION GUIDANCE NOTICE ON THE REGISTRATION OF DATA CONTROLLERS AND DATA PROCESSORS OF MAJOR IMPORTANCE

The Guidance Note will ensure proper regulation and registration of appropriate data controllers and data processors in Nigeria. This will protect the data of Nigerians and avoid exploitation of same...

On 14 February 2024, the Nigeria Data Protection Commission (**NDPC** or **Commission**) released the Guidance Notice on the Registration of Data Controllers and Data Processors of Major Importance (the Guidance Notice)³⁹. The provision of this Guidance Notice is hinged on Section 5(d) of the Nigeria Data Protection Act 2023 (the **Act**) which empowers the NDPC to designate data controllers and data processors of major importance who are to register with NDPC. As such, the NDPC released this Guidance Notice to indicate the categories of data controllers and data processors that are of major importance and should be registered with the Commission.

As general conditions to specify data controllers and data processors that are of major importance, the Guidance Notice states that these refer to data controller or data processor that have particular value or significance to the economy, society or security of Nigeria and keeps or has access to a filing system for the processing of personal data; and:

Processes the personal data of more than 200 (two hundred) data subjects in six months; or

Carries out commercial Information Communication Technology (ICT) services on any digital device which has storage capacity and belongs to another individual; or

Processes personal data as an organisation or a service provider in anyone of the following sectors:

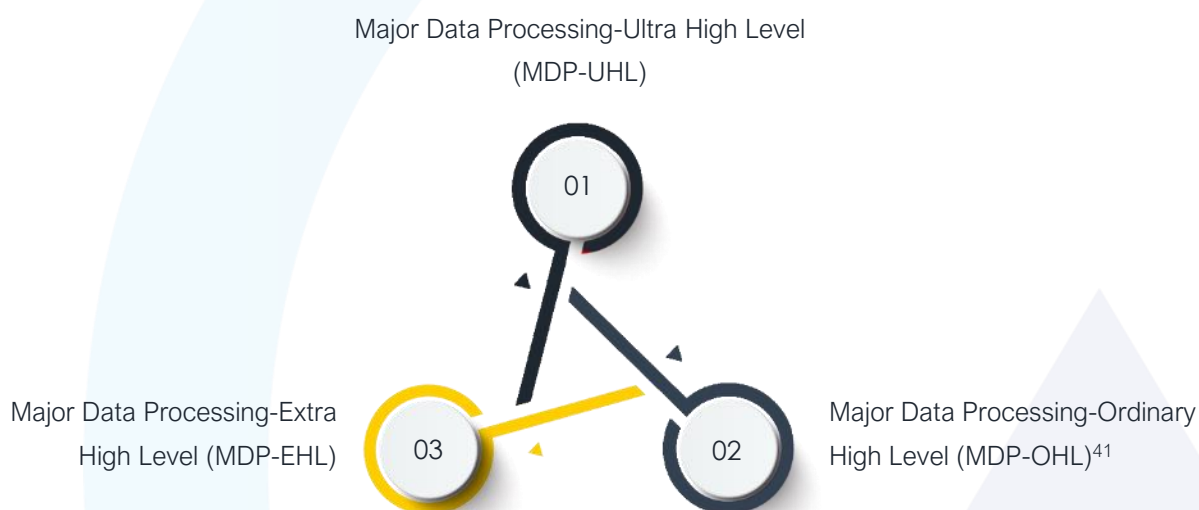
- Financial
- Communication
- Health
- Education
- Insurance
- Export and Import
- Aviation
- Tourism
- Oil and Gas
- Electric Power⁴⁰.

39. Nigerian Data Protection Commission Guidance Notice- Registration of Data Controllers and Data Processors of Major Importance [NDPR/HQ/GN/Vol.02/24 Resources – Nigeria Data Protection Commission](#) [Accessed: 02 January 2025]

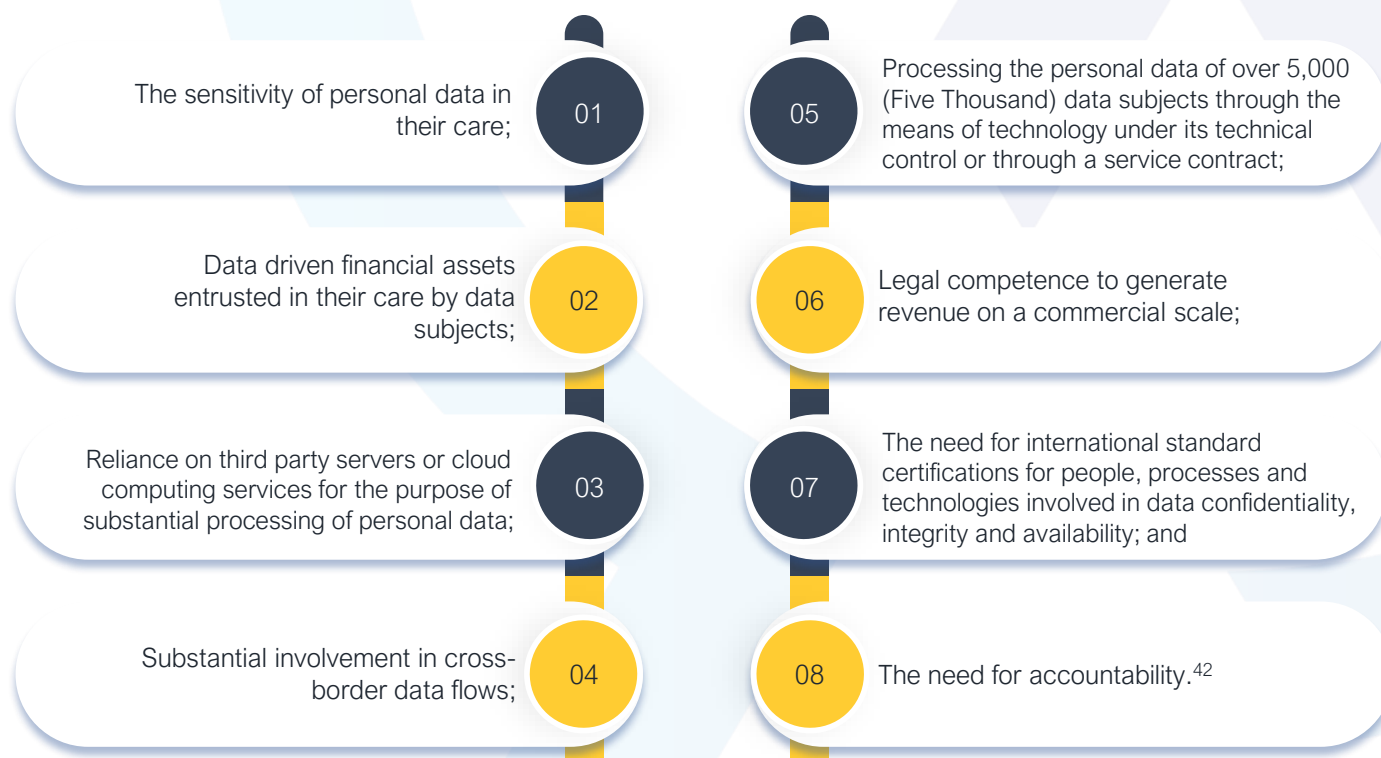
40. Guideline 1(1), *ibid*.

This Guidance Notice also applies to a data controller or a data processor who is under a fiduciary relationship with a data subject as it keeps confidential information on behalf of the data subject and significant harm may be done to a data subject if such data controller or processor is not under the obligations imposed on data controllers or processors of major importance.

The Commission classified data controllers and data processors into 3 (three) levels or categories of data processing, that is



These classifications are expected to consider the following factors in the protection of data and abide by global attainable standards and the number of these factors they consider determines their classifications:



41. Guideline 2, *ibid.*
42. Guideline 2(3), *ibid.*

Major Data Processing-Ultra High Level (MDP-UHL)

The entities under this level include⁴³ :



Commercial banks operating at national or regional level



Telecommunication companies



Insurance companies



Multinational companies



Electricity distribution companies



Oil and Gas companies



Public social media app developers and proprietors



Public e-mail App developers and proprietors



Communication devices manufacturers



Payment gateway service providers

MDP-UHL also includes organizations that process personal data of over 5,000 (Five Thousand) data subjects in 6 (six) months.



Major Data Processing-Extra High Level (MDP-EHL)

The entities under this level include⁴⁴:



Ministries, Departments and Agencies (MDAs) of government



Micro Finance Banks



Higher Institutions



Hospitals providing tertiary or secondary medical services



Mortgage Banks

MDP-EHL also includes organizations that process personal data of over 1,000 (one thousand) data subjects in 6 (six) months.

43. Guideline 3(1)(a), *ibid.*
44. Guideline 3(1)(c), *ibid.*

Major Data Processing-Ordinary High Level (MDP-OHL)



The entities under this level include⁴⁵ :



Small and Medium Scale Enterprises (it must be such that have access to personal data which they may share, transfer, analyse, copy, compute or store in the course of carrying out their individual businesses);



Primary and Secondary Schools;



Primary Health Centres; and



Agents, contractors and vendors who engage with data subjects on behalf of other organisations that are in the category of MDP-UHL and MDP-EHL)



MDP-OHL also includes organizations that process personal data of over 200 (Two Hundred) data subjects in 6 (six) months.

Registration after the due date or failure to register shall be deemed as a default under the Act and a data controller or data processor who is in default is liable to a penalty as stipulated in the Act.

The Guidance Note will ensure proper regulation and registration of appropriate data controllers and data processors in Nigeria. This will protect the data of Nigerians and avoid exploitation of same.

45. Guideline 3(1)(e), *ibid.*



EMPLOYMENT AND LABOUR TERRAIN

In 2024, Nigeria's labour and employment landscape experienced significant transformation, driven by critical statutory reforms and judicial interpretations. This segment of the wrap-up examines the key changes introduced this year, focusing on their implications for workers' rights, employment security, and industrial relations. This section of the wrap-up aims at providing a proper understanding of how Nigeria continues to adapt its labour framework to meet the challenges of a rapidly evolving economy.



NATIONAL MINIMUM WAGE (AMENDMENT ACT) 2024

The minimum wage provides a base salary for the least employee in every organization. It seeks to prevent the exploitation of wage workers⁴⁶, by safeguarding them against unduly low compensation. It aims to ensure a just and equitable distribution of the benefits of economic progress among all members of society, stabilize the economy and promote the health and well-being of employees.

Brief History of the Minimum Wage in Nigeria

The history of the minimum wage in Nigeria dates to the first enactment of the National Minimum Wage Law enacted by President Shehu Shagari on 03 September 1981 when the minimum wage was set at ₦125 per month for full time workers, excluding seasonal and small businesses⁴⁷. After this initial enactment, the minimum wage has undergone a number of revisions; from ₦250 in 1991, ₦5,500 in 2000, ₦18,000 in 2011 to ₦30,000 in 2019 as stipulated in the National Minimum Wage Act of 2019⁴⁸.

46. Liberto D. 2024, Minimum Wage: Federal vs. State Exceptions, available at https://www.investopedia.com/terms/m/minimum_wage.asp [Accessed: 01 November 2024].

47. Efosa T., 2024, 'Nigeria's minimum wage in numbers: From N125 in 1981 to over N490k demand in 2024', Vanguard Newspaper, 3, June 2024. <https://www.vanguardngr.com/2024/06/nigerias-minimum-wage-in-numbers-from-n125-in-1981-to-over-n490k-demand-in-2024/> [Accessed: 01 November 2024].

48. Alli W., 2024, 'From N125 to N70,000, timeline of Nigeria's Minimum Wage' Business Day, 19. July 2024.

Highlights of the National Minimum Wage (Amendment) Act 2024

The National Minimum Wage Act 2019 which came into force on the 18 April 2019 was slated to be reviewed after 5 (five) years by 2024⁴⁹. In January 2024, the Federal Government convened a tripartite committee for its review and amendment and on 29 July 2024, the National Minimum Wage (Amendment) Act, 2024 was passed into law through presidential assent by President Bola Ahmed Tinubu amending the 2019 Act (the Act). The changes made to the Act are as mentioned below:



New Minimum Wage Rate

The Act (as amended) has set the new national minimum wage at ₦70,000 per month for workers in Nigeria, which is a 133% increase from the ₦30,000 stipulated by the 2019 legislation. This adjustment reflects a significant increase over the previous wage and aims to address the rising cost of living in Nigeria.



Effective Date

The effective date for the Act is 29 July 2024.



Review Period

The Act (as amended) reduced the review period of the Act from 5 (five) years to 3 (three) years. This this end, the minimum wage is set for review by 2027 .



Applicable Persons

The new minimum wage rate is to be applicable to Nigerian workers. A 'worker' is defined under the Act to be 'any person who has entered into or works under a contract with an employer whether contract is for manual labour, clerical work, is expressed or implied, oral or written, whether it is a contract of service or a contract personally to execute any work or labour' . This definition aligns with Section 91 of the Labour Act and encompasses clerical workers and manual labourers like maids, drivers, cleaners employed in both public and private sectors. It can thus be deduced that all workers that are not exempted under this act are entitled to benefit from the increment of the new minimum wage.



Exempted Persons

All employers are expected to effect payment of the new rate from the effective date but exempts those that fall within the following categories of persons from complying⁵⁴;

- an establishment where workers are employed or paid on a part time basis, commission or piece rate basis;
- an establishment with less than 25 employees;
- workers in seasonal employment such as agriculture, construction, tourism etc; and
- any person employed in a vessel or aircraft to which the laws regulating merchant shipping or civil aviation apply.

49. Section 4, National Minimum Wage Act, 2019.

50. Section 3(1), National Minimum Wage (Amendment) Act, 2024.

51. Section 3(4), National Minimum Wage (Amendment) Bill, 2024.

52. Section 17 National Minimum Wage Act 2019.

53. Labour Act, Cap. L1, Laws of the Federation of Nigeria, 2004.

54. Section 4, National Minimum Wage (Amendment) Act, 2024.

Obligations Of The Employer Under The Amended Act



Payment of the Minimum Wage

Every employer within the definition of section 17 of the Act is obligated to effect the payment of the new wage rate from the effective date. Failure to comply with the national minimum wage constitutes an offence and upon conviction, such an employer would be liable to payment of a fine of not more than 5% of the employee's monthly salary and all outstanding arrears of such salary. The court may in its discretion compel such an employer to pay interest equivalent to the prevailing Central Bank of Nigeria's lending rate on the salary owed by the employer for each month of persistent failure to pay the minimum wage fixed by the law⁵⁵.

Record keeping

To ensure adherence to the minimum wage legislation, employers are mandated to maintain comprehensive records of employee salaries and employment conditions. Non-compliance with this requirement may result in a penalty not exceeding ₦75,000, with an additional fine of ₦10,000 for each day that the non-compliance persists⁵⁶. To facilitate enforcement of this statute, duly authorized officers from the Federal Ministry of Labour and Employment, as well as other civil service officials designated by the Minister of Labour and Employment, are entrusted with the responsibility of ensuring the implementation of the Act (as amended)⁵⁷. These authorised officers may direct employers to present records of wages for inspection to assess compliance with the applicable law. Where non-compliance is observed, the employer would be instructed to rectify the violation within a stipulated time frame. If such an employer fails to address the infringement, that authorised officer may proceed to submit their findings of non-compliance to the Minister of Labour and Employment recommending that the offending employer be prosecuted.

These changes seem to be a step in the right direction in responding to the protection of the rights of workers in the country in light of the current economic realities and both state and federal governments have initiated its implementation. However, this has caused concern for many employers who also suffer from the economic upheavals that the country is faced with. Employers may be advised to review current wage structures for employees to identify those who fall within the purview of the definition and those that are exempted in order to implement the necessary amendments. In the same vein, proper records of wages, taxes, pension contributions and other deductions should be properly documented.



55. Section 9, *ibid.*
56. Section 10, *ibid.*
57. Section 11, *ibid.*

EXPATRIATE EMPLOYMENT LEVY 2024

Another notable change occurred in the labour terrain on 27 February 2024 with the introduction of the Expatriate Employment Levy (EEL) Handbook.

The EEL is a government mandated contribution imposed on employers who employ expatriate workers in Nigeria. It was launched by President Bola Ahmed Tinubu as a fiscal measure designed to address socio-economic considerations within Nigeria⁵⁸. With this levy, the government seeks to encourage skill transfer and investment in local workforce thereby increasing productivity while regulating the influx of expatriates into the country⁵⁹. Other countries including Saudi Arabia, and Malaysia have also benefitted from the use of similar systems.

Facts to Note about the EEL

Industries within the scope of the EEL

The EEL is applicable to all private sector industries that engage the services of foreign workforce including Construction, Information and Communication Technology (ICT), Agriculture, Manufacturing, Oil and Gas to name a few. All organizations that employ expatriates are liable to pay the EEL.

Duration of Employment

An expatriate must have been employed for not less than 183 days in a fiscal year to be liable to the payment of the EEL. The EEL is to be paid annually for every year that an expatriate is employed within Nigeria for up to 183 days. In the case of expatriates with Temporary Work Permits or Seasonal employment, the aggregate number of days spent in employment in Nigeria would be taken into consideration and where it amounts to 183 days or more over a fiscal year the employer will be liable to pay the EEL.

Where the expatriate employed in Nigeria is temporarily on secondment to a foreign country but still forms part of the company's expatriate quota, the employer will still be liable to pay EEL.

In the case of an expatriate that is employed by different employers under seasonal or short-term employment in Nigeria, the last employer who bears immigration responsibility shall be liable to pay the EEL when the expatriate reaches an aggregate of 183 days spent in Nigeria in a fiscal year.

Exemptions

It should be noted that the EEL does not apply to accredited staff of diplomatic missions and government officials, that is expatriates employed by embassies, consulates or other diplomatic entities and government officials authorized to perform their duties.

58. Paragraph 1, Expatriate Employment Levy Handbook 2024

59. Paragraph 2

Implementing Agency

The Nigeria Immigration Service (NIS) is to serve as the implementing agency of this scheme with the duty of determining expatriates that fall within the purview of the EEL, carrying out periodic audits on employing companies to ascertain compliance and utilizing the data generated from the EEL project to enhance the country's national security and economic interest.

Responsibilities under the EEL Scheme

The responsibility of ensuring the seamless operation of this project is three-fold and is shared among the Government, the employer, and the expatriate.



The Government is responsible for providing online platforms for the electronic payment of the levy to streamline the reporting process and facilitate data exchange between the government and employers. The information provided may be verified from immigration records and tax filings to ensure consistency.



The Employers are required to maintain proper records related to expatriate employees including information such as employment contracts, work permits, contracts of service and similar relevant information. Employers must notify the government of any updates or changes in the employment circumstances of expatriates and submit such information within the stipulated time frame.



The expatriate is required to provide accurate personal information to the employers and Government.

Offences and Penalties

The Handbook specifies the following penalties for non-compliance with the guidelines;



Knowingly providing wrong information to an Immigration Officer is punishable by a term of imprisonment of five (5) years, a fine of N1,000,000 (One Million Naira) or both;



Failure of a corporate entity to file EEL within 30 days is punishable by a fine of N3,000,000 (Three Million Naira);



Failure to register new employees is punishable by a fine of N3,000,000 (Three Million Naira);



Falsification of information on EEL is punishable by a fine of N3,000,000 (Three Million Naira);



Failure of a corporate entity to renew EEL within thirty days is punishable by a fine of N3,000,000 (Three Million Naira)



Cost of EEL

The levy is stipulated at \$15,000 USD (Fifteen Thousand Dollars) for expatriates on director level and \$10,000 USD (Ten Thousand Dollars) for those on other levels.

The EEL policy has been greatly criticized as many citizens have anticipated the negative impact this would have on Foreign Direct Investment given the current economic climate. As a result, following a Press Release signed by the National President, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) dated 08 March 2024, and after several stakeholders had expressed concerns, the implementation of the EEL has been suspended. The suspension followed a meeting involving the Federal Ministry of Interior, Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA) and other trade and commerce associations. It was agreed at the meeting that the implementation of the levy be suspended and a committee consisting of the Ministry of Industry, Trade and Investment, the Ministry of Interior, NACCIMA and other stakeholders be constituted for its review.

SUPREME COURT DECISION IN DANGOTE CEMENT PLC. V. PETER ASOM AGER & ANOR. (2024) LPELR- 61800 (SC)

The matter for consideration before the Court in this case was whether the failure to give notice or payment in lieu renders a termination invalid.

Summary Of The Facts

The Respondents, Peter Asom Ager and Gazbriel Samali were employees of the Appellant, Dangote Cement Plc. (formerly Benue Cement Company Plc.), who were suspended indefinitely pending investigation into allegations of fraud and theft in the Company's commercial/marketing department. Following the Appellant's refusal to respond favourably to the Respondents protest of the suspension, the Respondents filed an action in court against the company and an injunction was issued to prevent further disciplinary action from being taken against the Respondents during the pendency of the action. While the matter was pending before the Court, the Benue Cement Company Plc. was acquired by the Appellant and the employment of the Respondents and other employees of the acquired company was terminated.

At the trial court, the indefinite suspension and termination of employment of the Respondents was declared null, void, and unlawful and the Court ordered the payment of their entitlements from the date of the suspension. This decision was upheld at the Court of Appeal with an order for the payment of all salaries and allowances from the date of suspension till the date the judgment was given.

In determining the appeal, the Supreme Court considered the following issues;

01

Whether the learned Justices of the Court of Appeal were not in error when they affirmed the trial Court's holding that the indefinite suspension of the Respondents amounted to a breach of the terms of service contained in Exhibit 1.

02

Whether the learned Justices of the Court of Appeal were not in error when they affirmed the trial Court's declaration of Exhibits 17 and 142 (letters of termination issued to the Respondents) as being unlawful, null, and void.

03

Whether the learned Justices of the Court of Appeal were not in error when they affirmed the undermined entitlements awarded by the trial court and suo motu extended the damages awarded to cover the period from dates of the Respondents' suspensions in 2003 to the date of the judgment (09 December 2009).

On the first issue, the Respondents' argument at the trial court was that their indefinite suspension constituted a breach of conditions of service which specified disciplinary procedure for junior staff in the company and limiting suspension to 7 (seven) days as stipulated in paragraph 19.01(a) of Exhibit 1, being the terms of service.

The paragraph provided that an employee found guilty of unsatisfactory service which in the opinion of management did not warrant termination of employment may at the discretion of the company's management be suspended without pay for a maximum of seven days or may be issued a written warning which would be recorded in the employee's file, the paragraph further provided that an employee's employment would be terminated upon receiving three warning letters within the space of two years. While the Respondents had argued that the indefinite suspensions were contrary to this provision, the Appellants insisted at the lower court that the paragraph did not prohibit the company from suspending the respondents to conduct an investigation.

However, the Appellant at the Court of Appeal abandoned the ground giving rise to the issue and the issue was resolved against the appellant.

On the second and third issue, the Appellants had argued that the termination of the employment of the Respondents was not a disciplinary measure but a by-product of the company being taken over which resulted in the laying off of all members of staff. They further argued that this did not constitute a contravention of the interlocutory order of injunction and that the Respondents did not complain about the capacity or otherwise of the person who signed or issued the letters for the termination of their employment. The Respondents on the other hand argued that the court was right to invalidate the letters of termination since they were issued during the pendency of the case while there was a subsisting interlocutory injunction preventing the company from meting out further disciplinary actions.





From a labour and employment standpoint, the key importance of this case is that it laid to rest the position of the law that an employer has the power to lawfully terminate the employment of an employee without giving reason(s) for the termination ...

The Supreme Court in deciding on the issue stated that since the termination of the Respondents' employment was as a result of the acquisition of the company, it could not reasonably be considered a breach of the interlocutory injunction granted by the Court.

The apex Court made reference to the provisions of paragraph 19.02 of the contract of service which provided that the company may terminate the employment of an employee without reason once it gives adequate notice or payment in lieu of notice. It was stated further that the termination of employment could only be declared wrongful if done in breach of the terms and conditions agreed to by the parties, or contrary to the relevant statutory provisions governing the employment with statutory flavour. The Court therefore declared that although the termination was wrongful, the termination could not be called null and void or invalid, since it was done in the exercise of an acknowledged power of the employer to do so at any time in the course of employment without giving any reason at all. Making reference to *Umera v. N.R.C*⁶⁰, the Court stated that the remedy for wrongful termination of employment is the claim for damages. The learned Justice stated further that the relationship not being one that enjoyed statutory flavour, the Respondents could not claim arrears of salaries and allowances and reinstatement on the ground of wrongful termination. He mentioned that the damages an employee claiming for wrongful termination on the grounds of failure to give the requisite notice or payment in lieu of notice would be entitled to would be the salary the employee would have earned had the employment been properly terminated as decided in *Obanye v. U.B.N Plc*⁶¹.

The Supreme Court unanimously upheld the appeal in part and ordered that the Respondents be paid from the date of their indefinite suspension to the dates of the wrongful termination and the salaries and allowances they would have earned had their employment been properly terminated by giving the requisite notice or payment in lieu thereof from the date of the termination.

From a labour and employment standpoint, the key importance of this case is that it laid to rest the position of the law that an employer has the power to lawfully terminate the employment of an employee without giving reason(s) for the termination provided that the terms of the employment are complied with and the required notice period is given or payment in lieu of notice. The Supreme Court stated that where an employer fails to give the required notice or payment in lieu of notice, the termination is merely wrongful and not null and void. Thus, in cases of wrongful dismissal, the remedy lies in damages rather than in reinstatement of the employee.

Given the doctrine of stare decisis, all courts have to abide by judicial precedent set by the Supreme Court on the issue of termination of employment by an employer.

60. (2006) LPELR -5968 (CA)

61. 2018 (17) NWLR (pt.1648)375

EMERGING MATTERS ON THE PAYMENT OF VOLUNTARY CONTRIBUTION UNDER THE CONTRIBUTORY PENSION SCHEME

The National Pension Commission (PENCOM) issued a Circular on Emerging Matters in the Payment of Voluntary Contribution under the Contributory Pension Scheme (the Circular) which took effect from 10 June 2024 to address concerns raised by contributors, retirees and Pension Fund Operators arising from the provisions of the 2018 Guidelines on Voluntary Contribution Under the Contributory Pension Scheme.

According to the Pension Reform Act 2014, 10% of an employee's monthly remuneration is to be contributed to the employee's pension fund while the employee makes a contribution of 8% of the monthly remuneration⁶². Aside from the mandatory contributions, an employee may also decide to make further voluntary contributions to his retirement savings account. The Guidelines issued by PENCOM on voluntary contributions were published to establish uniform rules, streamline withdrawal procedures and enhance retirement benefits, thereby supporting various categories of retirees and contributors⁶³. However, there were concerns about some of its provisions. The Circular was issued to respond to these issues indicated below:



Retention Period

The Guidelines stipulated that voluntary contributions made to the retirement savings account must be retained for a minimum of two years before it could be accessed⁶⁴, this has been amended by the Circular to one year, in other words mandatory and non-mandatory contributors can now access the 50% contingent portion of their voluntary contributions after one year⁶⁵.

Tax Deductions

Previously, the Guidelines had stipulated that tax deductions would be made on both income earned and principal amount when withdrawals were made less than five years from the date of the contribution for the exempted individuals⁶⁷. However, the Circular in consonance with the provisions of Section 10(4) of the Pension Reform Act 2014, has remedied this provision such that only income accrued on voluntary contributions would be taxable in accordance with relevant tax laws where withdrawal is made before the five-year period from the date of the contribution⁶⁸.

62. Section 4 (1), Pension Reform Act, 2014.

63. Section 1.2, Guidelines on Voluntary Contributions Under the Contributory Pension Scheme, 2018

64. Section 3.17, Guidelines on Voluntary Contributions Under the Contributory Pension Scheme 2018

65. Clause 5 (A), Circular on Emerging Matters in the Payment of Voluntary Contribution under the Contributory Pension Scheme.

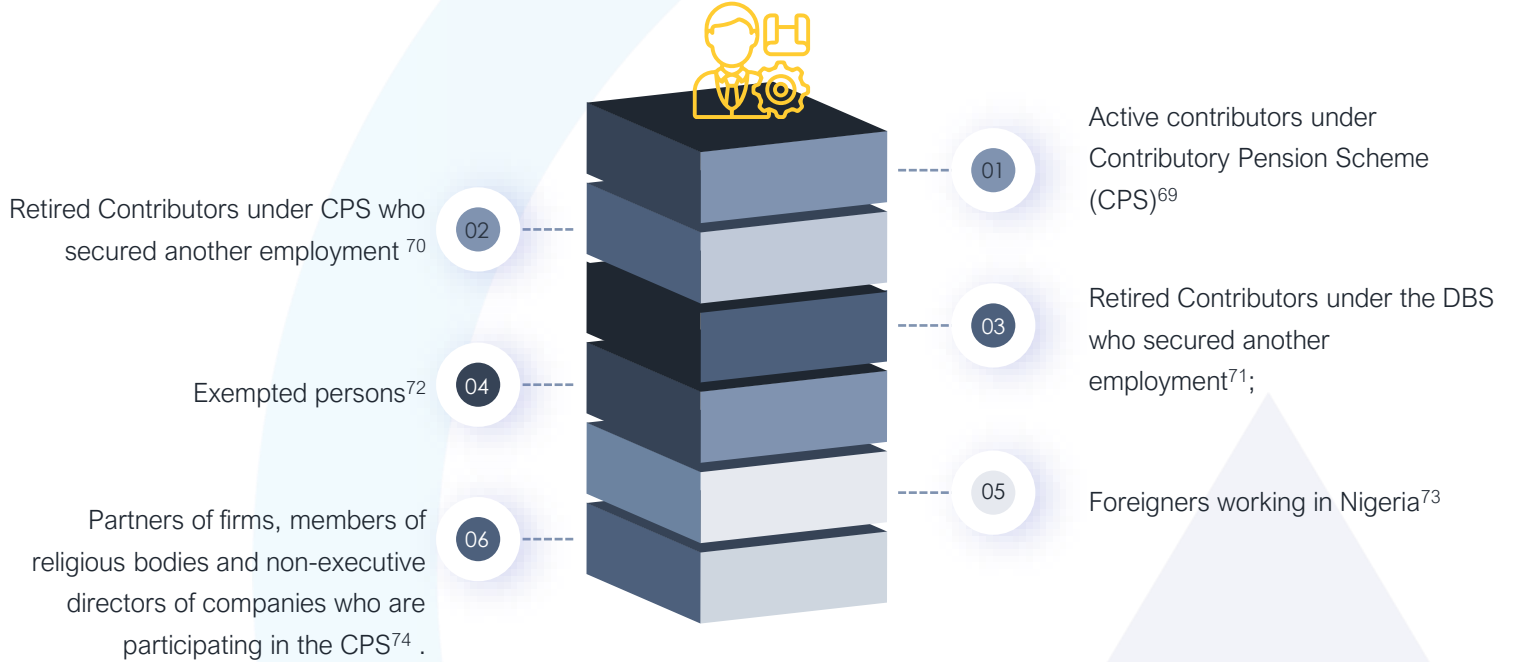
66. Section 2.3- 2.7 Guidelines on Voluntary Contributions Under the Contributory Pension Scheme 2018

67. Section 3.29 Guidelines on Voluntary Contributions Under the Contributory Pension Scheme 2018

68. Clause 5(D), Circular on Emerging Matters in the Payment of Voluntary Contribution under the Contributory Pension Scheme.

Documents Requested

Per the provisions of the Circular, Pension Fund Administrators (PFAs) are to provide a list of documents to the Pension Commission in their requests for a 'No Objection' to pay the contingent portion of voluntary contributions in the following categories;



Altogether, the amendments provided in the Circular show PENCOM's attentiveness to stakeholders' concerns and awareness of the macro-economic landscape.

Collectively, these developments reflect a significant shift in Nigeria's labour framework, highlighting the importance of fostering a balanced and sustainable employment environment. As these changes are implemented, they have the potential to significantly influence the dynamics of industrial relations and contribute to the stability and growth of Nigeria's economy.

69. Letter of employment evidencing that the person is still in service; current pay slip or any other evidence of total annual emolument; voluntary contributions withdrawal form; RSA statement to be provided by the PFA; and any other document that may from time to time be specified by PENCOM.

70. Letter establishing the commencement date of the employment; retirement letter from previous employment; current pay slip or any other evidence of total annual emolument; RSA statement to be provided by the PFA; and any other document that may from time to time be specified by PENCOM.

71. Letter establishing the commencement date of the employment; retirement letter from previous employment; current pay slip or any other evidence of total annual emolument; 3 months bank statement indication payment of monthly pension from previous employer; RSA statement to be provided by the PFA; and any other document that may from time to time be specified by PENCOM.

72. Employment letter; last 3 payment slip or any other evidence of total annual emolument; and any other document that may from time to time be specified by PENCOM.

73. Employment letter; valid Combined Expatriate Residence Permit and Alien Card (CERPAC) issued by the Nigeria Immigration Service which is still within its two-year validity; copy of data page of valid international passport; introduction letter from embassy/consulate of the applicant confirming nationality; current pay slip or any other evidence of total annual emolument; RSA statement to be provided by the PFA; and any other document that may from time to time be specified by PENCOM.

74. Appointment letter; evidence of income; RSA statement to be provided by the PFA; and any other document that may from time to time be specified by PENCOM.



TAX TERRAIN

The year 2024 was significant for Nigeria's tax sector, marked by a series of developments aimed at expanding the tax base, streamlining tax processes, and promoting economic growth. These initiatives reflect the government's commitment to creating a more efficient and equitable tax system. In the paragraphs that follow, we have highlighted some of the notable developments in Nigeria's fiscal landscape in the 2024 fiscal year.

Fiscal Bills

In line with its commitment to reforming Nigeria's legal and administrative framework, the Federal Government of Nigeria (FGN) transmitted four tax bills to the National Assembly. The bills are the Nigeria Tax Bill, the Nigeria Tax Administration Bill, the Nigerian Revenue Service Bill, and the Joint Revenue Board (Establishment) Bill, 2024. These bills, which have currently passed the first reading at the Senate, will portend a significant overhaul of the Nigerian tax landscape, should they be passed into law.

Executive Regulations and Orders

In 2024, the executive arm of the Nigerian government released a number of orders and regulations, targeted at reforming the WHT administration regime and providing tax benefits aimed at incentivising investments in the Nigerian economy. The notable instruments are highlighted below:

The Deduction at Source (Withholding) Tax Regulations

set to take effect on 01 January 2025, the new WHT Regulations is designed to simplify the WHT framework and ease the remittance burden on businesses. Notable changes include the introduction of WHT on lotteries, gaming, and reality shows, the expansion of exempt transactions, and the introduction of exemptions for small businesses with monthly transactions below ₦2,000,000. The WHT Regulations also introduce reduced WHT rates for industries with low profit margins, such as telecommunications.



The Oil and Gas Companies (Tax Incentives, Exemption, Remission, etc.) Order, 2024:



This Order introduced tax incentives designed to stimulate investment in Nigeria's oil and gas sector. Key provisions include tax credits and allowances for Non-Associated Gas (NAG) greenfield developments in onshore and shallow water locations, as well as a 25% investment allowance for midstream gas infrastructure. Further to the Order, the Minister of Finance issued the Notice of Tax Incentives on Deep Offshore Oil and Gas Production, 2024. This Deep Offshore Incentive Notice provides for production tax credits (PTC) which would apply to deep offshore developments with production sharing contracts within oil and petroleum mining leases. For a more detailed analysis please see our prior publications on the Oil and Gas Incentives [here](#) and [here](#).

The Value Added Tax (Modification) Order 2024



this Order was introduced to extend the purview of the VAT (Modification) order, 2021. Key amendments include expanding VAT exemptions for energy-related goods and services, such as equipment for Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG), electric vehicles, and biogas systems. The definition of "petroleum products" was also broadened to include a wider range of energy products. These changes are aimed at supporting Nigeria's energy transition by reducing energy costs, promoting cleaner energy alternatives, and stimulating growth in renewable energy and transportation sectors. For businesses, this will help lower costs on energy-related investments and provide opportunities for growth in these key industries.

The developments in Nigeria's tax sphere throughout 2024 reflect a concerted effort to modernize the country's tax system, incentivize investments and improve its business climate.

For more detailed information on these key developments, please refer to the following editions of the OALP Tax Practice newsletters: the [OALP Tax Quarterly Newsletter for Q1 2024](#), the [OALP Tax Practice 2nd Quarter 2024 Newsletter](#), the [OALP Tax Practice Newsletter for Q3 2024](#), and the [Deduction at Source \(Withholding\) Regulations 2024](#).



ESG & SUSTAINABILITY

In July 2024, the Nigeria Exchange Limited (NGX) announced the launch of its Impact Board, which operates as a dedicated and specialized market for listing, trading, and dealing in sustainable finance instruments, that is, environmental, social, and governance (ESG) compliant instruments (NGX Limited, 2024).⁷⁵

The Impact Board currently deals in instruments such as Green bonds,⁷⁶ Social bonds,⁷⁷ Sustainability bonds,⁷⁸ and other subcategories including Climate Bonds, Blue Bonds, Gender Bonds, and any other bond that may be utilised in financing or refinancing sustainable development projects.⁷⁹

The creation of the NGX Impact Board is specifically tailored to:

creating visibility and provision of a channel for prospective issuers to raise capital;

attracting Foreign Portfolio Investments (FPIs) and multilateral financing for applicable sustainable finance projects to achieve the Sustainable Development Goals (SDGs) and Paris climate targets.



supporting the Federal Government of Nigeria to raise capital to meet its updated Nationally Determined Contributions on Climate Change;

To clarify, the Environmental, Social and Governance (ESG) framework seeks to evaluate an organization’s environmental, social and governance impact, assessing its performance on non-financial metrics. This means that a separate form of assessment which seeks to ensure that an organization equally considers its financial position & profitability and the significance of its environmental activities and carbon footprints; social responsibility towards employees, customers and its surrounding economy; and the transparency and updated compliance and governance policies as metrics for business and non-business success.

75. NGX Limited: Impact Board, (2024) “An Overview of the Impact Board”, available at <https://ngxgroup.com/exchange/ngx-impact-board/> [Accessed 28 October 2024].

76. Green Bonds are used in raising finance or refinance either fully or partly existing or new projects that have positive climate or environmental impact, such as climate bonds – for projects involving environmental degradation and climate change; and blue bonds – to finance projects around flood, water pollution, maritime activities, fisheries and solid waste management.

77. Social Bonds have been explained to be used to finance or refinance both, or either new and existing eligible projects with clear and identifiable social objectives targeted to a specific population such as the youth or the disabled

78. Sustainability Bonds are used to raise funds which is exclusively applied to projects that meet the criteria of both social and green bonds.

79. NGX Limited: Impact Board, (2024) “An Overview of the Impact Board”, available at <https://ngxgroup.com/exchange/ngx-impact-board/> [Accessed 28 October 2024].



REAL ESTATE OVERVIEW

DIGITIZATION EFFORTS - LAGOS STATE'S ELECTRONIC GEOGRAPHIC INFORMATION SYSTEM (E-GIS)

In January 2024, the Governor of Lagos State, Mr. Babajide Sanwo-Olu launched the Lagos State Lands Administration e-Portal system⁸². This system focuses on the digitization of land administration in Lagos State. The Lagos State land administration traverses several departments such as the Land Bureau (the Land Use Allocation Committee, the Directorate of Land Registry, the Directorate of Land Regularisation, and the Directorate of Land Services), the New Towns Development Authority, the Lagos State Physical Planning and Urban Development, the Lagos State Public Works Corporation, and the Office of the State Surveyor General. By launching the e-Portal system, Lagos State has created a one-stop shop for inquiries with these land administration departments that will facilitate seamless access.

For the Land Bureau, the Land Use Allocation Committee addresses all matters on land allocation in the State; processing and issuance of Certificate of Occupancy (C of O); administering ground rent and computation of demand notice; processing deemed grant consent; regularization of Federal Government grants, among others.

The Directorate of Land Registry focuses on keeping an up-to-date record of all land transactions in the State. The Directorate of Land Regularisation is involved in the regularization of title to land, which is the process of granting title to those who have erroneously purchased uncommitted Government acquisition.

The Directorate of Land Services is responsible for processing applications for Governor's consent to subsequent transactions (Assignments, Subleases, Power of Attorney, Gifts, and Mortgages) on land; as well as Acquisition/Revocation matters, Compensation matters, Village Excisions/Settlement, among others.

The e-Portal System, which website address is <https://landonline.lagosstate.gov.ng/>, contains several functions such as online property search, application for certified true copy, property tax assessment, among others. With a comprehensive customer service platform and feedback section, the aim of the e-Portal system is to ease business and allow technology to drive the growth and development of Lagos State. Furthermore, e-Geographic Information System (e-GIS) regional offices were approved for construction at Ikeja, Badagry, Ikorodu, Lagos Island & Epe.

82. Olasunkanmi, O. (2024). *Sanwo-Olu Launches Lagos e-GIS Integrated Land Administration Portal*. Lagos State Government Official Website. <https://lagosstate.gov.ng/sanwo-olu-launches-lagos-e-gis-integrated-land-administration-portal/>



THE RISE OF **PROPERTY TECHNOLOGY (PROPTech)** IN REVOLUTIONIZING THE REAL ESTATE SECTOR IN NIGERIA.

All over the world, technology has traversed and transformed many parts of human lives and is now seen as a vital part of running the world. The progress of technology is also an integral part of the Nigerian economy as Nigerians make use of technology to easily and quickly get tasks done and activities carried out. Also, Nigeria has faced challenges in ensuring the ease of doing business in the country, it has been suggested that technology will go a long way in making this easy because of the automation and lack of human interaction that has added challenges to doing business in Nigeria, especially in the real estate sector⁸³. Technology has taken its time to seep into the real estate sector in Nigeria, but now, it has begun to revolutionize the sector as many see it as the right tool to solve the many problems in the sector with as much as \$7.8million being the cumulative funds spent on developing technology in the real estate sector⁸⁴. This technology is called 'property technology' or 'PropTech'. PropTech is defined as businesses using technology to disrupt and improve the way we buy, sell, rent, design, construct, manage and make decisions on property investments⁸⁵. It is also defined as the massive implementation of emerging technology within the real estate sector⁸⁶. The need to adopt PropTech in Nigeria is very important because of the problem of inadequate data and inefficient processes that has marred our growth in the country. The lack of PropTech has left things like pricing- either via rent or purchase of a house to the whims and caprices of agents and sellers without any scientific data.

PropTech converges several aspects of technology such as Shared Economy Real Estate which offers shared or joint use of a property (example is AirBnB); Smart Real Estate which is the use of Internet of Things (IoT) to monitor and manage houses remotely; Fintech which is the financial sector of the business; and Contech which refers to construction technology where modern materials are used in the building process⁸⁷.

Over the years, several innovations have arisen in Nigeria to cater for the need of technology in the real estate sector. Many of the innovations focus on specific problems such as property search, virtual property tours, financing tools, etc. Currently, innovative platforms in Nigeria are limited to platforms containing listings and marketplaces where buyers and sellers of real estate meet, and potential landowners and tenants liaise, often time, without the mandatory need for agents. There are other aspects of the real estate sector in which other innovations can come in such as the building of a property, financing of the property (including debt financing platforms, transaction management, etc), management of a property (lease and asset management, building automation and Internet of Things, etc) and asset utilization.

However, there is still a long way to go in developing PropTech for the Nigerian market to optimally utilize the innovations. Also, lack of infrastructure to support innovation is a challenge that PropTech has continued to face in Nigeria. A remote management of a property may be difficult because of the lack of stable power supply in the country. Also, the lack of regulations is also very detrimental to the growth of the real estate sector. Further, the arbitrariness in pricing has left many unenthusiastic about the real estate sector as a whole. While there are authorities, such as the Lagos State Real Estate Regulatory Authority, that mandates developers and agents to register with the Authority, issues like pricing are often left to the unilateral decisions of the agents or developers. These challenges need to be addressed in order to fully appreciate PropTech in Nigeria as this will ensure the ease of doing business and open the real estate sector for local and foreign investors as there will be transparency and clarity in the sector.

83. American Business Council (2018). *Ease of Doing Business in Nigeria*. American Business Council Report, available at <https://www.abcniq.com/wp-content/uploads/2019/08/Ease-of-doing-business-in-Nigeria-Report-v1.pdf>

84. StartupList Africa. *PropTech Startups in Nigeria*. StartupList.africa. <https://startuplist.africa/industry/proptech/nigeria>

85. Onuh, C. (2022). *Eden, Estate Intel lead 5 proptech startups in \$2m global fund raise*. BusinessDay. <https://businessday.ng/real-estate/article/eden-estate-intel-lead-5-proptech-startups-in-2m-global-fund-raise/>

86. Siniak, N., Kauko, T., Shavrov, S. & Marina, N. (2020). *The impact of proptech on real estate industry growth*. IOP Conf. Ser.: Mater. Sci. Eng. 869 062041. <https://iopscience.iop.org/article/10.1088/1757-899X/869/6/062041>

87. Ojekunle, S.O. *The Challenges and Opportunities for Proptech Adoption in Nigeria: an exploration of the factors that influence the adoption and diffusion of proptech innovation in the Nigerian Real Estate industry*. <https://afres.architecture.net/system/files/AfRES-2023-020.pdf>



IMMIGRATION OVERVIEW

Nigeria's immigration framework, guided by the 2015 Immigration Act⁸⁸ and Immigration Regulations 2017⁸⁹, outlines the procedures, costs, and legal requirements for country visits, as well as entry, residence, and employment of foreign nationals. The Immigration Act and the Immigration Regulations are administered by the Nigeria Immigration Service (NIS) which is established by Section 1 of the Act.

Visas and Entry Requirements

The Immigration Act allows for different visa categories depending on the purpose of entry⁹⁰. The Comptroller-General of Immigration (CG) holds the authority to issue these visas⁹¹. Types include:



88. The act established the Nigeria Immigration Service as well as providing governance for several matters pertaining to immigration. The Act is divided into nineteen parts addressing several Immigration and smuggling of migrant issues.
 89. According to Section 112(1) of the Act, the Immigration Regulations, 2017 (the Regulations) were issued by the Minister to provide procedural structure for the implementation of the provisions of the Act.
 90. Section 14 (1)(c) authorises the Minister to exempt any person from any requirement with respect to entry or departure from Nigeria.
 91. Section 20, Immigration Act, 2015
 92. Section 37(9), Immigration Act, 2015; Rule 6 of the Regulations provides that a Visiting permit shall remain valid for a period not exceeding 90 days. It also
 93. Section 38(1) of the act Requires employers intending to hire foreign nationals to apply to the CG, providing details regarding provisions for the expatriate's repatriation.
 94. Section 36 (1), Immigration Act, 2015; Regulation 11 of the Regulations provides that a person seeking to enter Nigeria for the purposes described under Section 36(1) of the Act shall be in possession of a valid entry visa.
 95. Section 37(11) allows the CG to issue permanent residence permits to foreign nationals who meet specific criteria, such as being married to a Nigerian or making significant investments in Nigeria.



Visa Categories for Expatriates

Nigeria's visa policy offers various visa types to facilitate expatriate entry processes including⁹⁶:

Transit Visa

For travelers passing through Nigeria, valid for 48 hours, requiring a passport, onward visa, ticket, and funds.

Tourist Visa

For tourists and family visitors, requiring a passport, funds, return ticket, hotel booking, and no employment validity.

Subject to Regularization (STR) Visa

For employed expatriates, requiring employment documents, obtainable only abroad.



Business Visa

For investors/ businesspersons, valid for 90 days (extendable), requiring a passport, funds, return ticket, and invitation letter from a Nigerian company

Diplomatic Visa

For diplomats and officials with a Note Verbale, available only through Nigerian Missions.

Temporary Work Permit (TWP)

For experts providing specialized services, needing approval from Nigerian Immigration.

Expatriate Employment Levy (EEL)

Nigeria mandates an Expatriate Employment Levy for foreign workers, paid by employers seeking to engage non-citizens⁹⁷. This levy depends on the position's seniority and contract length⁹⁸, serving as a form of revenue generation and a mechanism to encourage employment of Nigerian nationals⁹⁹. Employers must provide for potential repatriation costs for expatriates and their dependents, as stipulated by the CG¹⁰⁰.

Since March 2024, the implementation of the EEL has been suspended by the Federal Government owing to the response of several stakeholders to the levy. As of the writing of this report, the suspension has yet to be lifted.

96. Visa Policy (2024). [Online]. Available at: <https://interior.gov.ng/visa-policy/> [Accessed: 8 November, 2024]

97. On 27 February 2024, the Federal Government of Nigeria (FGN) launched the Expatriate Employment Levy Handbook ('the Handbook') which introduced the Expatriate Employment Levy ('the Levy'), a mandatory contribution levied on employers of expats in Nigeria.

98. Section 3.4.1 provides that expatriate workers employed for duration not less than 183 days within a year shall be liable to pay annual levy

99. Section 8.3 of the handbook provides that employers of expatriates covered by the EEL are required to pay 15,000 USD for directors and 10,000 USD for other categories.

100. Section 5.2 provides extensively for the employer's responsibilities

Ingress and Egress Data

While specific figures fluctuate, Annual immigration data shows Nigeria as a regional economic hub, with approximately 1.2 million foreign visitors in 2023¹⁰¹. The free movement policy within ECOWAS drives high ingress rates from neighbouring countries such as Ghana, Togo, and Benin¹⁰². However, over 1.57 million Nigerians left the country for various destinations between January and September. This significant emigration trend was part of a larger migration wave, with 2.1 million Nigerians having departed in 2022¹⁰³.



Future Projections and Policy Reforms

Nigeria's immigration reforms feature multiple advanced tools to boost efficiency and security. Key upgrades include the Migration Information Data Analysis System (MIDAS) for biometric registration at borders, E-gates at major airports, and automated visa issuance processes, which will streamline entry for foreign nationals. Additionally, mobile MIDAS devices aid border patrols in remote areas, while electronic passport processing and tracking improve transparency¹⁰⁴. These aim to attract foreign investment and enhance service delivery through technology.

101. Business Day (2024). Nigeria hosted 1.2m international visitors in 2023-Tourism minister. [Online]. Available at: https://businessday.ng/life-arts/article/nigeria-hosted-1-2m-international-visitors-in-2023-tourism-minister/#google_vignette [Accessed: 8 November, 2024]

102. ECOWAS citizens have the right to freely circulate within the country for up to 3 months with a passport. Stays of longer than 3 months require a residence card.

103. Eze, C. (2023). NIS: Over 3.6m Nigerians migrated in two years to other countries in search of better opportunities. [Online]. Available at: <https://www.thisdaylive.com/index.php/2023/12/08/nis-over-3-6m-nigerians-migrated-in-two-years-to-other-countries-in-search-of-better-opportunities/> [Accessed: 8 November, 2024]

104. Enyinnia, C. (2024). Reactions trail new immigration digitization policy, [Online]. Available at: https://businessday.ng/news/article/reactions-trail-new-immigration-digitization-policy/#google_vignette [Accessed: 8 November 2024]



OTHER KEY SECTORS



TRANSPORTATION

The year was quite eventful for the transportation sector across the major modes of transportation. We saw the emergence of several regulatory events, particularly the introduction of bills in respect of road, sea, and air transport.

In 2024, the National Assembly rejected a bill to regulate road transportation in Nigeria.¹⁰⁵ The bill¹⁰⁶, sponsored by Senator Oyelola Ashiru, specifically sought to establish an agency, the National Road Transport Council, which would be responsible for regulating road transport and the transportation profession in Nigeria. Among other things, the bill was to provide for a mandatory insurance scheme for all road users. However, the bill was rejected by a majority of the senators on the account that it would be an undue duplication of existing agencies, which was against the Federal Government policy to cut costs.

On sea transport, the bill which seeks to repeal the Nigerian Shippers Council Act and enact the Nigerian Shipping and Port Economic Regulatory Agency Bill passed for second reading in March.¹⁰⁷ According to the sponsor, this bill is needed to formalize the power and function of Nigeria's Shippers Council as the Port Economic Regulator in Nigeria. However, the bill has become controversial as there is disagreement among stakeholders on the necessity of the bill. Stakeholders like the NSC itself and the National Association of Government Approved Freight Forwarders (NAGAFF) call for the speedy passage of the bill, calling it long overdue as the growth of the industry had been stifled by the absence of a regulatory agency for the ports.¹⁰⁸

On the other hand, some other stakeholders see it as a duplication and possible conflict of agencies, as functions such as issuance of certificates, licences, and fees, which the bill seeks to grant the NSC are already being performed by the Nigerian Maritime Administration and Safety Agency (NIMASA). More so, they see it as antagonistic to the Federal Government's intention to cut governance costs¹⁰⁹. The Nigerian Port Authority on the hand was more concerned about the articulation of the bill's provisions. It observed that the ambiguities, particularly the combination of "ports" and "shipping" in a regulatory agency may cause confusion, encroachment, and infringement of other agencies. It therefore demanded a proper phrasing of the Bill's provisions. It is also for these reasons that the Lagos-based group, Nigerian Maritime Renaissance Network opined that the Bill would fail. However, the NSC remains convinced that the passage of the bill will promote efficiency and streamline the nation's maritime.¹¹⁰ The bill is still on the floor of the house at the time of writing this report.

105. Vanguard <https://www.vanguardngr.com/2024/07/senate-rejects-bill-on-national-road-transport-council/>

106. A Bill for an Act to establish National Road Transport Council in Nigeria, 2024.

107. Nigerian Shippers Council Act (Amendment) Bill, 2024.

108. Adedayo Akinwale (27 May 2024) 'Stakeholders back Port Economic Regulatory Agency Bill, Demand Speedy Passage' *ThisDay Live*. [Accessed: 17 October 2024]

109. Anozie Egole (19 June 2024) <https://punchng.com/proposed-shipping-regulatory-bill-triggers-fears-of-higher-governance-costs/>

110. Nigerian Shippers Council (3 Sept. 2024) 'Port Economic Regulatory Agency Bill will promote efficiency, streamline processes in maritime sector—Barr. Akutah Pius, NSC Boss' *Nigerian Shippers Council*. [Accessed: 17 October 2024]

On air transportation, the aviation space saw promulgation of an order by the Nigeria Civil Aviation Authority for the obtainment of Advance Passenger Information.¹¹¹ The Order, in line with the International Civil Aviation Organisation's (ICAO) amendments of standards of recommended practices, now requires all aircraft arriving, departing, or transiting through Nigeria, excluding state aircraft, to provide the Nigerian Immigration with advance passenger information relating to the flight.¹¹² The purpose of this is to, among others, facilitate border controls and prevent, investigate, and prosecute acts of terrorism.¹¹³ The order commendably details provisions that ensure data protection laws are complied with in the performance of these obligations on aircraft.

Aside from the above, the NCAA also implemented the ICAO requirement for reporting aerodrome pavement strength using aircraft classification rating.¹¹⁴ By the implementation, aerodrome operators of mass greater than 5,700kg, were to among others, train their staff, develop procedures and means for compliance, and examine PCR values after changes in pavement structure or traffic composition. The purpose of the requirements is to align with modern methods of pavement design. The regulations passed by the NCAA followed international regulations. This begs the question of what other international regulations in aviation space the NCAA may issue directives on. Companies in the aviation industry may, therefore, need to brace for more regulations.



HEALTHCARE

The year 2024 was eventful for the health sector. The foremost notable event in healthcare for the year was the closing of the verification portal for nurses and the subsequent issuance of a circular by the Nursing and Midwifery Council of Nigeria (NMCN), revising the guidelines for requesting verification of certificates for nurses and midwives to foreign nursing boards. The circular requires a minimum of two years' post-qualification experience before a permanent practising licence can be issued, as an application with a provisional licence would be rejected. There was protest from nurses against this circular, claiming it was an attempt to keep them from leaving the country. The council, however, denied, claiming it was due to nurses not following due process of exit such as not informing the employer.¹¹⁵ Notwithstanding, certain nurses consider the circular unconstitutional, an infringement of the fundamental right to freedom of movement and dignity, hence, they resorted to instituting a legal action against the council.¹¹⁶ While the battle was still on, the NMCN has, however, reopened the portal for verification but has made the portal inaccessible to new nurses, insisting that the two-year post-qualification was still in effect.¹¹⁷

111. NCAA/CAO/2024/001

112. NCAA/CAO/2024/001 p.18

113. NCAA/CAO/2024/001 p.18.

114. NCAA/DAAS/ARD/TECH/107/24/13

115. Jesupemi Are (13 Feb 2024) 'NMCN: New Verification guidelines due to nurses not following due process'. *The Cable* [Accessed 18 October 2024]

116. Chinedu Adonu (26 Feb 2024) 'Nigerian Nurses Drag NMCN to court over a controversial circular' *Vanguard* [Accessed 18 October 2024]

117. Lara Adejoro (15 Sept 2024) 'Mixed reactions as NMCN reopens certificate verification portal' *The Punch* [Accessed 18 October 2024]

Another event in the health sector is the announcement by the Federal Government of its intention to establish a National Health Facility Regulatory Agency. A committee was set up by the government for the establishment of this Agency.¹¹⁸ While this appears to reflect a commitment to improving the efficiency of the health system, the announcement has, however, generated negative reactions from stakeholders in the health sector. These stakeholders consider it wasteful and a violation of constitutional principles.¹¹⁹ Currently, healthcare facilities are regulated by the different states' healthcare facility regulatory agencies. It is for this reason that these stakeholders consider it wasteful, counterproductive, and unconstitutional. However, the Federal Government does not appear to plan to change its intention on this.

In **2024**, the Nursing and Midwifery Council of Nigeria (NMCN) closed the verification portal for nurses and revised the guidelines for requesting verification of certificates for nurses and midwives to foreign nursing boards.



INSURANCE

The Nigeria Insurance Industry Reform Bill 2024 (the Bill) was proposed at the Senate in 2024. The bill has been passed by the Senate and awaits concurrence from the House of Representatives and presidential assent to make it law.¹²⁰ The bill seeks to repeal some of the laws governing certain categories of insurance and consolidate them into one Act, which are the Insurance Act; the Marine Insurance Act; the Motor Vehicles (Third Party Insurance) Act; the National Insurance Corporation of Nigeria Act; and the Nigeria Reinsurance Corporation Act¹²¹. According to the sponsor, Senator Adetokunbo Abiru, this consolidation will ensure the effective enforcement of the classes of compulsory insurance in Nigeria and enhance good corporate governance¹²². Truly, the fragmentation of Nigerian compulsory insurance laws may be said to have contributed to the low awareness level of their existence.

The bill also seeks to increase the capital requirement of life insurance companies to ₦15billion, general business to ₦25 billion, and reinsurance business to ₦45billion,¹²³ making insurance businesses face a possible 650% increase in capital requirements.¹²⁴ Furthermore, the fine for the operation of an unlicensed insurance business is proposed by the bill to be set at ₦25million and ₦50million for individual and corporate entities, respectively.¹²⁵ The proposed reform in whole has been embraced by significant institutions and points to the need for insurers to be capital-ready, and Nigerian citizens, insurance-ready.

118. [Guardian Nigeria \(12 Sept 2024\) 'Govt to establish national health facility regulatory agency' *The Guardian*](#) [Accessed 18 October 2024]

119. [Chijioke Iremeka \(8 Sept 2024\) 'Stakeholders fault move to establish regulatory agency' *The Punch*](#) [Accessed 18 October 2024]

120. Nigeria Insurance Industry Reform Bill, 2024.

121. Nigeria Insurance Industry Reform Bill, Part XI.

122. [Abdulqudus Ogundapo \(18 July 2024\) 'Bill to reform Nigerian Insurance industry passes second reading at Senate' *Premium Times*](#) [Accessed 18 October 2024]

123. Nigeria Insurance Industry Reform Bill, Part IV.

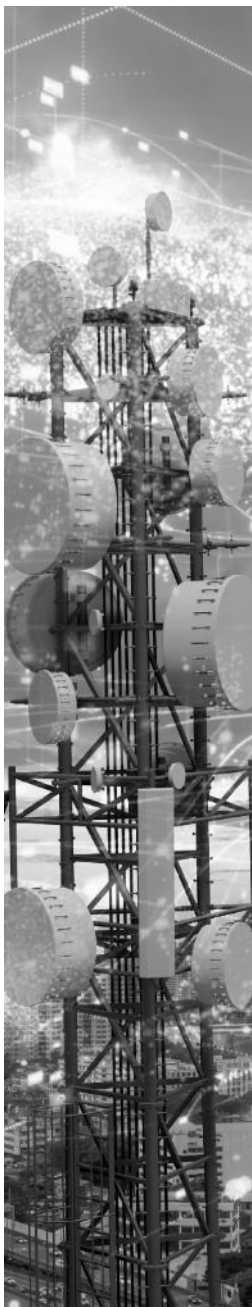
124. It should be noted that the current share capital requirement is ₦8billion for life insurance firms, ₦10billion for general insurance, ₦8billion for composite insurance and ₦20billion for reinsurance business.

125. Nigeria Insurance Industry Reform Bill, Section 10.



TELECOMMUNICATIONS

For the telecommunications industry, the Nigerian Communications Commission introduced several regulations in the year 2024. These regulations amend the existing ones on different aspects. They include:



Consumer Code of Practice Regulations 2024

This Regulation was issued pursuant to, among others, section 106 of the NCC Act on the preparation of a consumer code. The Regulations, released on 30 July 2024, provide the procedures a licensee must follow in developing a consumer code of practice, as well as the features and contents of such codes.¹²⁶ The Regulations provide for a General Consumer Code of Practice which serves as the minimum standard to be followed by all licensees.¹²⁷ Accordingly, licensees are further required to prepare and submit to the Commission an individual consumer code of practice of its services and related consumer practices which, after review, will be approved by the Commission, and then published by the licensee on its website, social media and national newspaper¹²⁸. The failure of any licensee to comply with the regulations or the General Code renders such licensee liable to penalties and sanctions.¹²⁹

Quality of Service Regulations 2024:

This replaced the Quality of Service Regulations 2013. It aims to improve the quality of service and improve the operation and performance of interconnected networks, while enhancing consumer choices.¹³⁰ They represent minimum quality and standards of service, associated measurement, reporting and record-keeping tasks which licensees must comply with.¹³¹ While it has similar provisions with the repealed regulations, it introduced significant changes in the areas of imposition of administrative fines,¹³² QoS ranking system,¹³³ and a robust schedule of fines which range from ₦5million to ₦15million per each act of contravention. Importantly, it expands the definition of licensee to include anyone engaging in an activity covered by a class license granted by NCA.¹³⁴

Quality of Service Business Rules 2024

Issued pursuant to the QoS Business Regulations, the QoS Business Rules 2024 contain technical details outlining the rules for monitoring and implementing QoS in Nigerian Telecommunications.¹³⁵ Importantly, it provides Key Performance Indicators (KPIs) for measuring QoS. Among others, it sets threshold targets and KPIs across service categories, including customer care accessibility and wireline services.¹³⁶ It also contains metrics for network performance e.g. drop call rates, call setup success rates¹³⁷. The failure of licensees to meet these new requirements may result in actions by NCC.

126. [Nigerian Communications \(Consumer Code of Practice\) Regulations \(CCOPR\), Regulation 1.](#)

127. [CCOPR, Regulation 3; Schedule 1.](#)

128. [CCOPR, Regulations 4, 5 and 6.](#)

129. [CCOPR, Regulation 8.](#)

130. [Nigerian Communications \(Quality of Service\) Regulations, \(QOSR\) Regulation 1.](#)

131. [QOSR, Regulation 2.](#)

132. [QOSR, Regulation 19.](#)

133. [QOSR, Regulation 18.](#)

134. [QOSR, Regulation 21.](#)

135. [Quality of Service Business Rules 2024 \(QOSBR\), Part I.](#)

136. [QOSBR, Part II](#)

137. [QOSBR, Part II.](#)



Type of Approval Regulations 2024

Revoking the Type of Approval Regulations, 2008, this regulation provide the NCC approval framework for communications equipment for connection to networks in Nigeria.¹³⁸ The regulations particularly aim to ensure efficient use of frequency spectrum, availability of equipment to consumers, and, among others, protect national security.¹³⁹ In essence, it is to ensure that the communications equipment in the Nigerian market are safe, highly functional, and secure. The regulations contain notable provisions relating to the application for approval, exemption from registration, complaints and investigation, and enforcement of the provisions.

Type of Approval Business Rules 2024

The Type Approval Business Rules replaced the Type Approval Guidelines 2007. It contains details on the procedure, fees, documentation and other required things for the type approval application. The provisions are similar to the 2007 guidelines it replaced. However, notable developments include the establishment of a Device Management System (NCC-DMS) to serve as a Central Equipment Identity Register (CEIR) that keeps records of devices.¹⁴⁰ Other developments include the expansion of the type approval standards to provide for fourth generation and fifth generation mobile telephony Equipment.¹⁴¹ The standards had stopped at third generation under the 2007 guidelines.

Apart from the amendments of its key regulations, the NCC also issued significant directives to telecom providers during the year, one of which is the directive on tariffs transparency. The directive, issued on 29 July 2024, mandated Mobile Networks Operators to publish a comprehensive table showing the feature of each of their tariff plans, specifically the prices for the basic components, add-ons, and the applicable terms and conditions¹⁴². The objective is to ensure transparency and protect consumer interests through enhanced informed decision-making. The operators had until 31 December 2024 to maintain the existing bonus-led tariff plans and migrate all subscribers to the simplified ones with proper education in clear language and user-friendly format. It also requires stand-alone data bundles to be offered at fair prices to avoid tying consumers with products they do not need.

It would be recalled that sequel to the failure of some telecom users to link and verify their National Identification Number with their SIMs, the NCC had continually reviewed the deadline on which the unlinked lines would be barred. In 2024, the deadline was reviewed from 15 April to 31 July and then, to 15 September. While the continued review of the deadline seems to align with some Nigerians position that the SIMs cannot be barred, NCC reported that over 153 million SIMs have been linked reflecting a compliance rate of 96% from the 69.7% in January.¹⁴³ Upon the expiration of the deadline, it was reported that telecom providers started disconnecting phone lines nationwide for non-compliance. Subsequently, in October, NCC announced the completion of linkage of NIN with phone numbers, claiming that there is no phone number in Nigeria that cannot be identified with a verified NIN.¹⁴⁴

138. Nigerian Communications (Type Approval) Regulations (TAR), 2024, regulation 2.

139. Nigerian Communications (Type Approval) Regulations, 2024, Regulation 1.

140. Type Approval Business Rules (TABR), Rule 15.

141. TABR, Sch. 1, Part B, Tables 12 and 13.

142. Guidance on the Simplification of Tariffs in the Nigerian Communications Sector\

143. [Aderonke Oni \(28 August 2024\) 'NCC announces September 14 as final deadline for NIN-SIM linkage' *The Cable* \[Accessed 22 October 2024\]](#)

144. [Olugbenga Ige \(10 Oct 2024\) 'NIN-SIM linkage of all phone numbers completed, says NCC' *The Punch* \[Accessed 22 October 2024\]](#)



In March of 2024, the Federal Government announced the construction of the Lagos-Calabar Coastal Highway¹⁵⁰. As at the time of announcement, the project was estimated to cost up to N15.6trillion over eight years. The project which is a Public Private Partnership (PPP) model project between the Federal Government and the Contractor—Hitech Construction Company—came with controversy surrounding the award process. There were allegations of failure to follow due process in the award of the project. These allegations were, however, refuted on the claim that the award was based on the competency of the contractor.¹⁵¹

Also, presently the biggest construction project in Nigeria, the project, as envisaged led to demolition of buildings, including key recreational and leisure spots in Victoria Island Lagos.¹⁵² The Federal Government, however, announced that it had started paying compensation to property owners impacted by the demolitions with the compensation for section 1 of the project reported to have been increased from ₦8billion to ₦18billion¹⁵³. It was also reported that there were about 6 different suits against the project which warranted the hiring of six Senior Advocates of Nigeria by the Federal Government. However, the present situation suggests a positive outlook in terms of compensation.

Also, in July 2024, the Federal Government appointed the Director General of the Infrastructure Concession and Regulatory Commission (ICRC). The newly appointed DG, Dr. Jobson Oseodion Ewalefoh, sequel to his appointment revealed the direction of the Commission's policy. Importantly, he stated his commitment to strategic collaborations and PPPs.¹⁵⁴ He equally called on investors and other stakeholders to bring business to the ICRC, making the prospect of more PPP projects for 2025 viable. Additionally, he further stated that the already existing PPP projects needed to be evaluated to ensure that the projects were performing optimally. Not long after these disclosures, the Federal Government through the Commission began an audit of the existing PPP projects to ensure their optimal efficiencies.¹⁵⁵ The ICRC also noted that it would soon issue a directive that all assets under PPP must, in compliance with the law, be insured, emphasizing the importance of insuring all government assets.¹⁵⁶ This directive, if issued, coupled with the ongoing reform of the insurance industry in respect of compulsory insurance suggests a strict compulsory insurance outlook in the infrastructure industry in the near future.



145. Okechukwu Nnodim (8 June 2024) 'FG unveils revised national policy on food safety' *The Punch* [Accessed 22 October 2024]

146. Ibid

147. Guidelines For Implementation of Zero Duty Rate on Some Basic Food Items

148. Headline Inflation rate was 32.7% relative to the August headline inflation rate of 32.15%-- CPI, National Bureau of Statistics.

149. Chike Onwuegbuchi (17 Oct 2024) 'FG move to boost Productivity in Agriculture with emerging technologies' *Nigeria communications Week* [Accessed 22 October 2024].

150. Damilola Aina (8 March 2024) 'FG begins 700km Lagos Calabar coastal highway construction' *The Punch* [Accessed 22 October 2024]

151. *The Guardian* (30 April 2024) 'That Controversial Lagos-Calabar Coastal highway project' *The Guardian* [Accessed 22 October 2024]

152. Ibid

153. Dayo Ayeyemi (4 Nov 2024) 'Lagos-Calabar coastal road: Compensation to affected property owner hits N18bn' *Tribune Online* [Accessed 4 November 2024].

154. Emmanuel Elebeke (19 August 2024) 'New ICRC Boss Ewalefoh unveils policy direction' *Vanguard News* [Accessed 24 October 2024]

155. Damilola Aina (18 Sept 2024) 'FG begins audit of PPP projects across Nigeria' *The Punch* [Accessed 24 October 2024]

156. Ibid.



LOTTERY AND GAMING

Supreme Court's Judgment on the Nullification of the National Lottery Act

On 22 November 2024, the Supreme Court, in a unanimous decision, nullified the National Lottery Act of 2005, when it held that the National Assembly lacks the power to legislate on issues related to lotteries and games of chance. The apex Court held that issues related to lotteries and games of chance are not part of the exclusive and concurrent list as provided for in the Second Schedule of the Nigerian Constitution (the Constitution), and that therefore, the National Assembly lacks the power to make legislations on it.

This judgment was as a result of a suit filed by the Lagos State Government in Suit No. SC.1/2008- Attorney General of Lagos State & Ors. v. Attorney General of the Federation and National Assembly & Ors., where Lagos State Government sought a declaration that the absence of express mention of pools, betting, lotteries, gaming, casinos as matters on the exclusive and concurrent legislative lists makes them residual matters reserved exclusive for the States, and thus outside the National Assembly purview.

The Court also declared that Sections 17, 18, 19, 20, and 21 of the National Lottery Act 2005 which relates to licencing, duration of licencing, renewal of licencing, and revocation of licencing are inconsistent and incompatible with the provisions of the Constitution and therefore nullified.

The implication of this judgment is that gaming entities, in whatever form, have to apply and register with the relevant state agencies to carry out its activities in each of the states it does business. Some states such as Lagos State already have extensive legislation and regulations on gaming and lottery. In 2021, the Lagos State Government harmonized all the laws and agencies regulating the gaming activities within the state and created the Lagos State Lotteries and Gaming Authority Law, 2021. This Law established the Lagos State Lotteries and Gaming Authority that is empowered to regulate gaming activities in Lagos State. The Law also recognized several gaming categories such as casino, bingo, pool betting, sports betting or bookmaker operating licence, lottery, agent or affiliate, sweepstakes, slots or gaming machines, car racing, horse-racing, other games, other lotteries, remote gaming and amusement machines . The Law also provides for permits to activities that fall under games, but do not require a licence and non-commercial and private gaming activities.

Other states with gaming and lottery legal and regulatory frameworks include Edo State, Imo State, Ekiti State, Ogun State, Oyo State, among others. While some states do not have gaming and lottery framework but have taxes applicable to gaming and lottery regulated by the respective internal revenue service of such state. This includes the Gaming Tax of Anambra State, the Ondo State Lotteries Regulatory Commission Law payment schedule, etc.,

It is anticipated that the resultant effect of the judgment is that there will be an uptick in the regulatory activities around lotteries and gaming and their taxation within different states, which may be to the effect of encouraging such activities or curbing them in different states.

157. The Constitution of the Federal Republic of Nigeria 1999 (as amended)
158. The Supreme Court in the judgment recognised that the states as 1st, 4th, 5th, 8th, 9th, 13th, 16th, 17th, 19th & 21st Plaintiffs – Lagos, Akwa Ibom, Anambra, Cross Rivers, Delta, Imo, Ogun, Ondo, Oyo & Rivers States respectively, had prior to the enactment of the National Lottery Act had their respective laws regulating lotteries.
159. Section 33 of the Lagos State Lotteries and Gaming Authority Law, 2021
160. Edo State Gaming Law 2020
161. Imo State Lotteries and Gaming Authority Law 2021
162. Ekiti State Lotteries Law, No. 15 of 2012 and Ekiti State Lotteries (First Amendment) Law 2021
163. Ogun State Lotteries Law, 2013
164. The Oyo State Gaming Law, 2018
165. The Anambra State Gaming Bill 2024 is currently at its third reading in the Anambra State House of Assembly.



2025
FORWARD
LOOK



IN PURSUIT OF HOPE FOR EASING FORWARD LOOK FOR 2025

Nigeria's business landscape in 2024 was characterized by a complex interplay of challenges, regulatory and legal changes creating glimmers of opportunities. Notwithstanding continued and heightened inflation, currency volatility, increased operational costs and infrastructure deficits impacting business operations, The entrepreneurial spirit remains resilient and there is a strong indication of hope for recovery and ease. This general hopeful outlook on the prospects for the Nigerian terrain, despite persistent hurdles, is a pointer to confidence in the current Government and the different regulatory reforms that have characterized the landscape.

A key pointer from the Presidential Media Chat held on Monday, 23 December 2024 is the optimism with which President Bola Ahmed Tinubu has spoken about the prospects of attracting Foreign Direct investments (FDI) to benefit Nigeria and counterbalance on the FDI exits. While the business terrain is still fraught with businesses and individuals grappling with the effects of high power tariffs, increasing fuel cost, higher hurdles to meet access to loans and funding with continued cash crunch, it is expected that the optimism with the current regulatory reforms in Nigeria will be the recipe for eventual prosperity, after the initial discomfort from changes.

The Nigerian economy is expected to maintain a moderate growth trajectory in 2025, driven by factors such as increased agricultural output, a recovering oil sector, and ongoing government efforts to diversify the economy. However, several key challenges will continue to demand unrelenting effort and attention. The CBN's drive to curb inflation by its monetary policies. Currency volatility affecting the value of the Naira will also have to be a key focus for targeted economic recovery. It is also key that an aggressive focus on infrastructure, particularly in power, transportation, and logistics is required to build a thriving business environment where productivity and competitiveness is enhanced.

There is also the need to embrace technology. Increasing adoption of technology across various sectors will increase opportunities for innovation and disruption. This technological drive has to be prioritized across different sectors and infused in the regulatory framework changes in different sectors that are key to the doing business landscape such as corporate, banking, insurance, real estate, agriculture and telecommunications.

As different sectors and areas of the Nigerian economy undergo much required regulatory reforms and changes, it is important that there is balance in introducing reforms and enforcing them such that businesses and individuals, who already are grappling with high business operational costs, are able to navigate forward and grow in productivity. The right regulatory environment is key for attracting FDI to Nigeria, particularly as there is growing interests from Asia and Europe.



It also key to note the need for accelerating sustainability across the entire Nigerian business landscape with renewed focus in helping governments, organizations and business imbibe the right sustainability practices in their ESG drives and the overall national drive to a low-carbon economy.

Despite challenges in 2024, Nigeria presents significant opportunities for businesses in 2025. By adopting a strategic approach, embracing innovation and ensuring that the regulatory changes and frameworks are targeted towards growth, businesses can navigate the complexities of the Nigerian market and capitalize on the significant growth potential that it offers. While challenges remain, the resilience and dynamism of the Nigerian economy offer a promising outlook for businesses that are willing to adapt and innovate.

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
AES	Approved Existing Scheme
AML	Anti Money Laundering
APIs	Active Pharmaceutical Ingredients
ASBON	Association of Small Business Owners of Nigeria
BDC	Bureau De Change
CAC	Corporate Affairs Commission
CAMA	Companies and Allied Matters Act
CBN	Central Bank of Nigeria
CEIR	Central Equipment Identity Register
CNG	Compressed Natural Gas
CPI	Consumer Price Index
CPS	Contributory Pension Scheme
CRR	Cash Reserve Ratio
DBS	Defined Benefit Scheme
DMBs	Deposit Money Banks
eCCI	Electronic Certificate of Capital Importation
EELMS	Expatriate Employment Levy Management System
EFEMS	Electronic Foreign Exchange Matching System
EGM	Extra Ordinary Meeting
ESG	Environmental, Social and Governance
FCCPC	Federal Competition and Consumer Protection Commission
FDI	Foreign Direct Investment
FEC	Federal Executive Council
FGN	Federal Government of Naira
FMDA	Financial Markets Dealers Association
FPIs	Foreign Portfolio Investments
GDP	Gross Domestic Product
GDPR	General Data Protection Regulation
ILO	International Labour Organization
LDR	Loan-to-Deposit Ratio
LPG	Liquefied Petroleum Gas
MDAs	Ministries, Departments, and Agencies
MDP-EHL	Major Data Processing- Extra High Level

LIST OF ABBREVIATIONS

ABBREVIATION	MEANING
MDP-OHL	Major Data Processing- Ordinary High Level
MDP-UHL	Major Data Processing- Ultra High Level
MIDAS	Migration Information Data Analysis System
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
NACCIMA	Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture
NAFDAC	Nigerian Agency for Food and Drug Administration and Control
NAFEM	Nigerian Foreign Exchange Market
NAG	Non-associated Gas
NAGAFF	National Association of Government Approved Freight Forwarders
NBC	Nigerian Bottling Company
NCC	Nigerian Communications Commission
NCF	Nigerian Cybersecurity Fund
NCS	Nigerian Customs Service
NDPC	Nigerian Data Protection Commission
NDPR	Nigerian Data Protection Regulation
NESG	Nigerian Economic Summit Group
NGX	Nigeria Exchange Limited
NIBSS	Nigerian Inter-Bank Settlement System
NIMASA	Nigerian Maritime Administration and Safety Agency
NIS	Nigerian Immigration Service
NPLs	Non-performing Loans
ONSA	Office of the National Security Adviser
PFA	Pension Fund Administrators
POS	Point of Sale
PTC	Production Tax credits
Qos	Quality of service
SEC	Securities and Exchange Commission
SMEs	Small and Medium Enterprises
STR	Subject to Regularization
TWP	Temporary Work permit
VAT	Value Added Tax
WHT	Withholding Tax

GLOSSARY OF TERMS

Bureau De Change:

Bureau De Change is a business that provides currency exchange services, allowing customers to buy or sell foreign currencies at prevailing exchange rates. It typically caters to travellers, businesses, or individuals needing foreign cash or remittances.

Cybersecurity:

Cybersecurity refers to the practice of protecting computer systems, networks, and data from digital attacks, unauthorized access, or damage. It involves implementing technologies, processes, and practices to safeguard sensitive information and ensure system integrity, confidentiality, and availability.

Expatriate:

Expatriate is a person who temporarily or permanently resides in a country other than their native country, often for work, business, or personal reasons. An expatriate may be sent abroad by their employer or choose to live abroad independently.

Foreign Exchange:

Foreign Exchange, often abbreviated as Forex or FX, refers to the global marketplace for trading national currencies against one another. It is a decentralized financial market where participants, such as banks, financial institutions, corporations, and individual traders, engage in the buying and selling of currencies.

Green Bonds:

Green Bonds are Debt securities issued to raise capital specifically for projects that have positive environmental impacts, such as renewable energy, energy efficiency, and climate change mitigation. These bonds allow investors to fund sustainable initiatives while earning a return on their investment.

Loan Deposit Ratio (LDR):

Loan Deposit Ratio is a financial metric used to assess a bank's liquidity by comparing its total loans to its total deposits. It indicates how much of a bank's deposits are being used to issue loans. A higher ratio suggests more aggressive lending, while a lower ratio indicates greater liquidity but potentially lower profitability.

Macro-Economic Conditions:

Macro-Economic Conditions refer to the overall state and performance of an economy at a national or regional level. These conditions include various key indicators such as Gross Domestic Product (GDP), inflation rates, unemployment rates, interest rates, and other aggregate economic factors.

Minimum Wage:

Minimum Wage is the lowest legal amount of compensation that employers are required to pay their employees for work performed, as set by government regulation or labour laws. It is designed to protect workers from exploitation and ensure a basic standard of living.



GLOSSARY OF TERMS

Monetary Policy rate:

The Monetary Policy Rate means the interest rate set by a central bank to influence the cost of borrowing and lending in an economy. It serves as a benchmark for other interest rates and is used to control inflation, stabilize the currency, and promote economic growth.

Money Markets:

Money Markets are financial markets where short-term borrowing and lending take place, typically for instruments with maturities of one year or less. They facilitate liquidity and include instruments like Treasury bills, certificates of deposit, and commercial paper.

Point of Sale (POS) Operator:

Point of Sale (POS) Operator refers to a person or business that provides payment services using a POS terminal to facilitate electronic transactions, such as withdrawals, transfers, or payments, typically using debit or credit cards.

Energy Transitions

Energy Transitions refer to the global shift from traditional, fossil fuel-based energy sources to cleaner and more sustainable alternatives. This involves adopting renewable energy sources, improving energy efficiency, and mitigating environmental impacts.

Portfolio Investment

Portfolio Investment refers to investment in a diversified range of financial assets, such as stocks, bonds, and real estate, with the aim of generating returns over time. It typically involves passive investments, where the investor does not seek to control or manage the companies or assets in

Property Technology (PropTech):

PropTech refers to the use of technology and innovation to improve the efficiency, transparency, and accessibility of the real estate industry. It includes digital platforms, software, and tools for property management, real estate transactions, investment, and development. Examples include property listing websites, virtual tours, and smart home technologies.

Recapitalization:

Recapitalization is the process of restructuring a company's capital structure by altering the mix of debt and equity. This is often done to stabilize the company's finances, improve cash flow, or optimize its funding to achieve specific goals, such as reducing debt, raising equity, or preparing for growth.

CONTACT US

Olayimika Phillips

yphillips@olaniwunajayi.net

Jonathan Aluju

jaluju@olaniwunajayi.net

Wonuola Abioye

wabioye@olaniwunajayi.net

www.olaniwunajayi.net

+234 1 270 2551

Lagos

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

Port Harcourt

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

Abuja

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

London

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