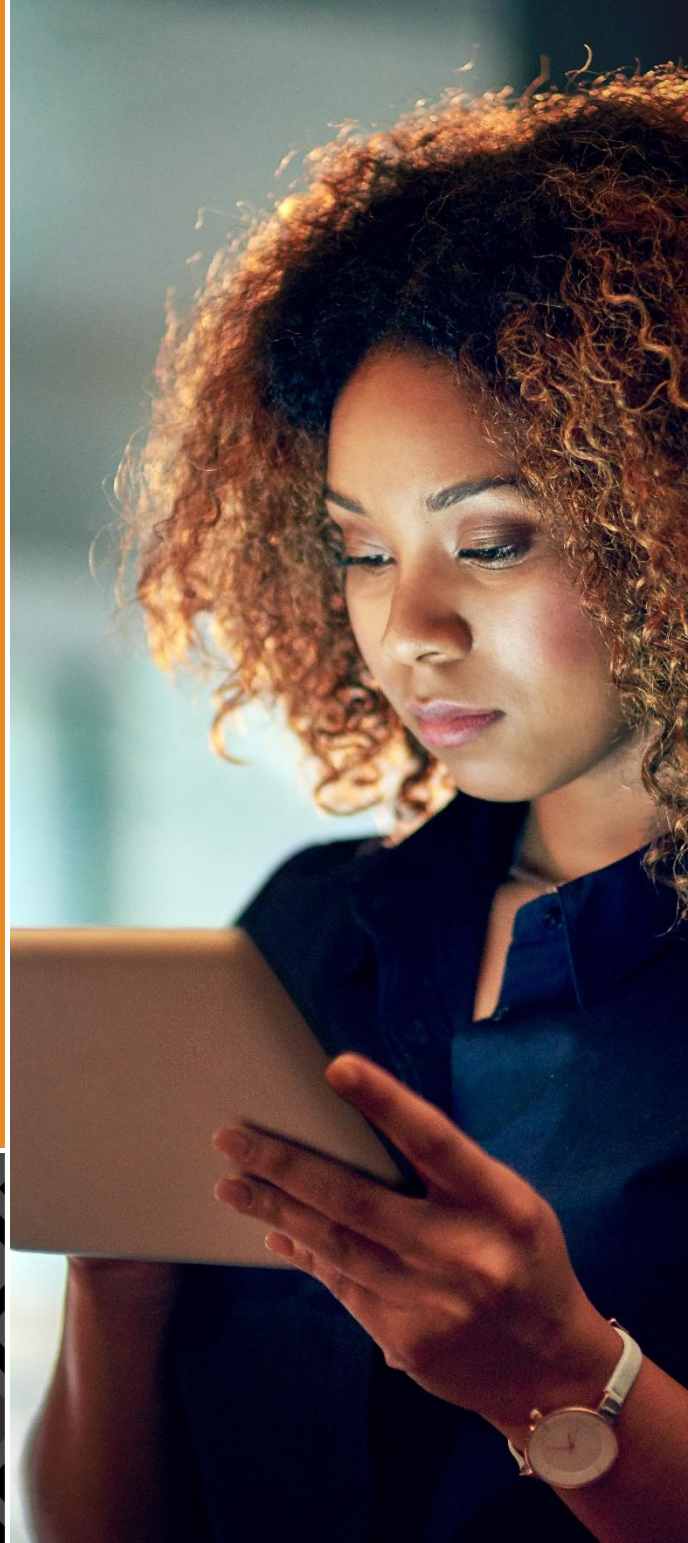


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Business Regulations Data Card Nigeria



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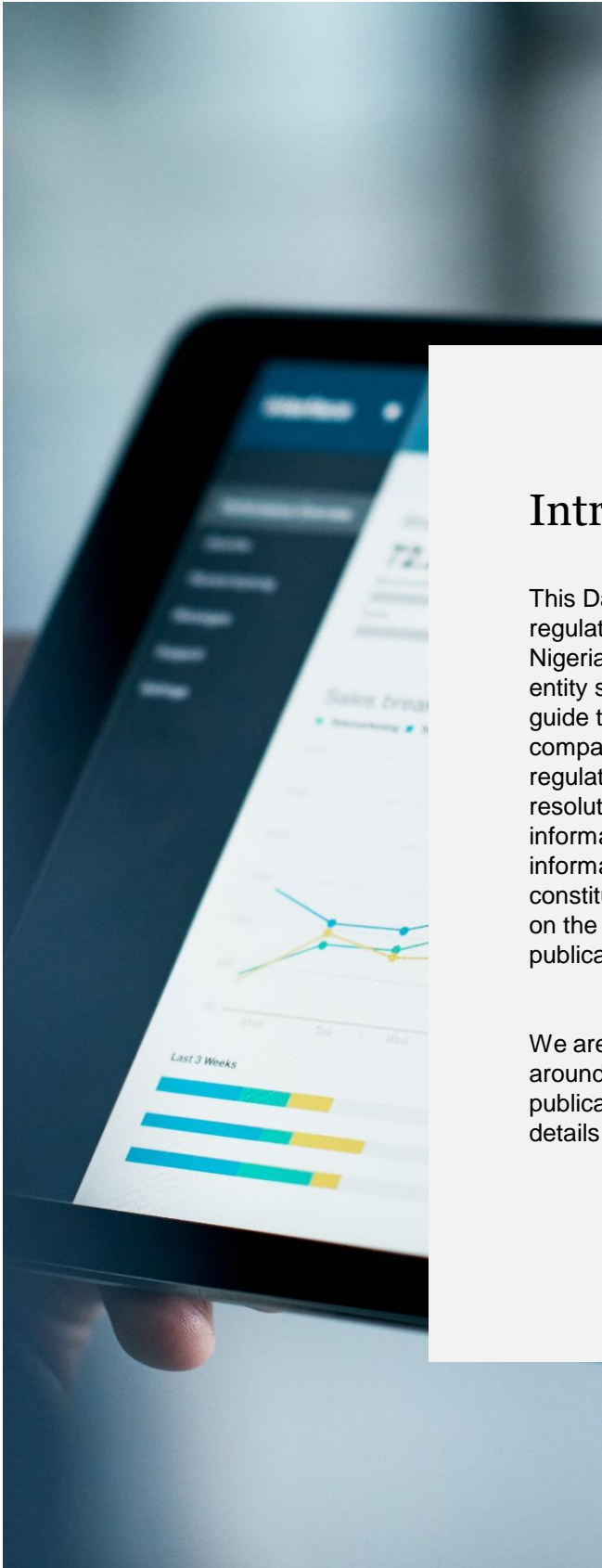
August 2022



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Introduction

This Data Card provides a highlight of the regulatory environment for business operations in Nigeria and a summary of the legal framework for entity set up and management. It also provides a guide to the key compliance obligations for Nigerian companies and businesses, exchange control regulations, transfer of technology, dispute resolution and enforcement of awards. The information in this publication is for general information purposes only, it is not intended to constitute legal advice or opinion. We have relied on the relevant laws as they are at the date of publication.

We are happy to have a deeper conversation around the issues we have highlighted in this publication. You can reach out to us via our contact details shared in the publication.

COMPANIES AND ALLIED MATTERS ACT 2020 (CAMA)

The principal law for the regulation of companies and businesses in Nigeria is the Companies and Allied Matters Act (“**CAMA**”) 2020. CAMA establishes the Corporate Affairs Commission (“**CAC**”) and gives it the mandate of regulating the incorporation, management and winding up of companies and other business entities in Nigeria.

Item	Comment / Description
<p>Permitted Entities</p> <p>[S 22, 24, 25, 26, 746, 748, 749, 766, 797, 814, 823]</p>	<p>The types of business vehicles and entities recognised by CAMA are:</p> <ol style="list-style-type: none"> 1. Company: <ul style="list-style-type: none"> • Public Company Limited by Shares: this is a company whose memorandum states that it is a public company. The minimum number of members is 2 and there is no maximum number of members. • Private Company Limited by Shares: the total number of members of a private company cannot exceed 50. A private company may be incorporated with one shareholder. Where it also qualifies as a small company, it can have one director. It is exempt from holding the statutory annual general meeting, auditing its accounts or appointing a company secretary. • Company Limited by Guarantee: this is a 'not for profit' company whose memorandum and articles of association (“AoA”) prohibit the distribution of profits to its members. The Attorney-General of the Federation’s consent is required to incorporate a company limited by guarantee. The liability of each member to contribute during the winding up of a company limited by guarantee is N100,000 (circa \$230). • Unlimited Company: unlimited companies must be registered with at least the minimum issued share capital. The members do not enjoy limited liability and are liable for the debts of the company in the event of an insolvency. 2. Limited Liability Partnership (“LLP”) <ul style="list-style-type: none"> • A body corporate or an individual may be a partner in an LLP. The minimum number of partners is two, no maximum is provided. • LLPs are required to appoint a minimum of two designated partners (called ‘general partners’ in some jurisdictions). A designated partner is one who would be responsible for the compliance obligations of the LLP. One of the designated partners must be resident in Nigeria. A nominee of a body corporate may be made a designated partner. • The relationship between the LLP and partners is governed by the Partnership Agreement. • The partners are agents of the LLP and can bind the LLP with narrow exceptions. • Unless the Partnership Agreement states otherwise, the partner’s rights to share in profits or losses and to receive distributions are transferable. The transfer of such rights will not in itself cause the dissolution or winding up of the partnership. 3. Limited Partnership (“LP”) <ul style="list-style-type: none"> • LPs may be registered with a minimum of two persons, and maximum of 20 persons. • An individual or body corporate may be a member of the LP. The LP is required to have one or more general partners who would be liable for the debts and obligations of the LP.

- A limited partner in the LP is not liable for debts beyond his contribution or what he agreed to contribute, cannot take part in the management of the business and has no power to bind the firm.
- Where a limited partner takes part in the management, he becomes liable for the debts and obligations incurred while he took part in managing the firm, as if he were a general partner.
- Death or bankruptcy of a partner will not dissolve the LP.

4. Business Name

This can be registered by an individual, a firm or a body corporate. Registration is required when the true name of the individual, firm or body corporate is not being used. Where registration is required, it should be done within 28days of commencement of business.

5. Incorporated Trustees

- Where the purpose of the promoters is to promote religious, educational, literary, scientific, social, development, cultural, sporting or charitable purposes, they may register an association referred to as an Incorporated Trustee.
- The income and property of the Incorporated Trustee must be applied solely towards the promotion of the objects of the Body as stated in its Constitution. No portion of the income shall be paid or transferred directly or indirectly, by way of dividend, bonus, or otherwise by way of profit to any of the members of the association.

Exemption from incorporation [S 80 & 788]

Non- residents intending to carry on business in Nigeria must incorporate a local subsidiary. To that extent, branch operations are not allowed. The following companies and LLPs may apply for exemption from incorporation:

- foreign companies invited to Nigeria by or with the approval of the Federal Government to execute any specified project.
- foreign companies in Nigeria for execution of specific individual loan projects on behalf of a donor country or international organisation.
- foreign government owned companies engaged solely in export promotion activities
- engineering consultants and technical experts engaged on any individual specialist project under contract with any of the government/agencies in the Federation, where such a contract has been approved by the Federal Government.
- LLPs which are exempted from registration by the Minister.

Representative Office

Although CAMA 2020 is silent on representative offices, representative offices are allowed in Nigeria. The representative office may be incorporated as a separate legal entity with objects which are limited to promotional activities, conducting market research and analysis, storage and display of goods and merchandise.

Company Registration Portal

Incorporation/Registration is conducted through CAC's online Portal. The first step is to conduct a search to ascertain the availability of the proposed name(s). If available, the names will be reserved for an initial period of 60days and may be renewed after expiry.

The incorporation documents are uploaded on the portal and assessed for stamp duty, and CAC registration fees. Stamp duty is charged on the nominal value of the share capital at the rate of 0.75%.

Pre-operational Licences/Approvals

CAC registration fees for (issued share capital above ₦1Million up to ₦500Million) for a private and public company are ₦5000 and ₦10,000 per million of the share capital respectively.

Companies with foreign equity participation are required to register with the NIPC and obtain a Business Registration Certificate from the NIPC; and a Business Permit from the Ministry of Interior. There may be other industry specific registrations required before the commencement of business.

Commencement of Operations

Publication of name

Before commencement of business, a registered entity must:

- paint or affix its name and registration number conspicuously on the outside of its office in legible characters.
- include its name and registration number on all notices, advertisements, cheques, invoices, receipts, bills of exchange and every other official document or publication of the entity.

The entity's letterhead, circulars, catalogues, show cards etc must contain the following details:

- registered name
- registered address
- registration number
- name of directors/ partners/ sole proprietor / trustee of the entity (as the case may be), and their nationality, if non-Nigerian.
- Tax Identification Number

Entity Electronic Account

All registered entities are required to create an Entity Electronic Account ("EEA") with the CAC. The EEA would allow the entity to submit documents and statutory returns to the CAC by electronic means. The EEA is administered by an Authorised Officer of the entity.

Shareholding

[S 18, 27(2), 57, 142, 22(2)]

- Private companies can be incorporated with one shareholder.
- Except in regulated industries where minimum share capital is prescribed, the minimum issued share capital is NGN100,000 (circa \$230) and NGN2,000,000 (circa \$4,600) for private and public companies respectively. Where there is foreign equity participation, the minimum share capital is NGN10,000,000 (circa \$23,000).
- shareholding may be 100% foreign except in industries requiring local content.
- there is no requirement for shareholders to be resident in Nigeria.
- a company's share capital must be fully allotted at all times.
- a private company cannot allot newly created shares unless they are offered in the first instance to the existing shareholders in the proportion as nearly as may be to their existing holdings.
- a private company may restrict the transfer of its shares through the AoA.

Directors [S. 269]

- A company with foreign participation must have a minimum of two directors.
- A company that qualifies as a small company can be incorporated with one director. A small company is a wholly owned Nigerian private limited company with turnover not more than NGN120 Million (circa \$276,000) or net assets of not more than NGN60 Million (circa \$138,000).

Company Secretary [S 330]

- Unless specified by the AoA, directors need not hold shares in the company.
- All the directors may be foreigners and do not need to be resident in Nigeria. However, it may be useful to appoint local directors to satisfy specific statutory obligation(s).

Appointment of a company secretary is mandatory for companies except for a small company.

Corporate Governance

[S 87, 237 - 239, 259, 275, 278 (2), 289]

Organs of the Company

The organs of the company recognised under CAMA are:

- the members in a general meeting
- board of directors or
- officers or agents appointed by or under the authority derived from the members in general meetings or board of directors as organs of the company.

Shareholders' Meetings

- Decisions are made at meetings - Annual General Meeting (AGM), Extraordinary General Meeting (EGM), or by way of resolution.
- If the members of a private company are unable to convene a general meeting, the members can pass a written resolution signed by all the members. This is valid as though a meeting was held.

Annual General Meetings ("AGM")

- Every company (except a small company) must hold an Annual General Meeting ("AGM") each year. The first AGM is due within 18 months of incorporation.
- A private company can hold AGMs electronically in accordance with the AoA of the company.
- A minimum of 21 days' notice is required for a General Meeting. The AGM may be called by shorter notice if all the members entitled to vote agree. For other General Meetings, by the approval of the holders of at least 95% of the company's shares.
- CAC is entitled to receive notice of meetings for public companies.
- Unless the AoA provides otherwise, the quorum for a General Meeting is 1/3 of the total number of members or 25 members of the company (whichever is less) present in person or by proxy.
- Voting could be by show of hands or by poll.

Extra-Ordinary General Meeting ("EGM")

The Board, a director, or sufficient directors (where there are not sufficient directors in Nigeria to form a quorum) or member(s) holding not less than one-tenth of the paid-up capital of the company can requisition an EGM.

Board of Directors Meetings

Directors' first meeting must be held no later than six months after incorporation. At this meeting, the directors must determine the company's Accounting Reference Date ("ARD"); and may appoint the first auditors and Bankers of the company.

- Unless the AoA provides otherwise, the notice period for directors' meetings is 14 days and the quorum for the directors' meeting is two where the directors are not more than six.
- If the Board is unable to convene a meeting, the directors can pass a written resolution signed by all the directors. This is valid as though a meeting was held.

Multiple directorships in public companies:

A person cannot act as a director in more than five public companies at the same time.

Separation of the role of Chairman and CEO

The Chairman of a public company cannot act as the Chief Executive Officer of the same company.

Independent directors

A public company must have at least three independent directors.

Corporate Responsibility for Financial Reporting

[S 405]

The CEO or CFO of a company (other than a small company) or persons performing similar functions must certify in each audited financial statement that the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, and that all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company for the periods covered by the audited financial statements.

As part of the certification, the CEO or CFO is required to make disclosures on the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, whether there is any fraud that involves management or other employees who have a significant role in the company's internal control with regard to significant deficiencies and material weaknesses.

Auditors [S 401 - 404]

- Every company must at each AGM appoint an auditor(s) to audit the financial statements of the company.
- A public company must constitute an Audit Committee of five members consisting of three shareholders and two non-executive directors. The Audit Committee has the responsibility of examining the auditors' report and making recommendations to the AGM.

Statutory Books [S 109, 111, 122, 216, 218, 266, 301, 318, 336]

Companies are required to maintain the following statutory Registers:

- minutes book
- register of members
- index of members (Public companies)
- register of directors
- register of directors' residential address
- register of directors' shareholding
- register of substantial shareholders
- register of secretaries (Public companies)
- register of charges
- register of debenture holders

Annual Compliance

[S. 417- 421, 773, 822, 848]

- Apart from companies with one shareholder, all companies are required to file the annual return (along with the audited accounts) within 42 days after the AGM; or a written resolution in lieu of the meeting.
- A LP/LLP must prepare an audited statement of account and solvency within six months from the end of each financial year.
- A LLP must file an annual return with CAC within 60 days of closure of its financial year.
- A business name must file its annual return with CAC not later than 30 June each year. The return must be accompanied by the financial statements of the individual, firm or body corporate.
- The Trustees of an Association must submit a bi-annual statement of affairs of the association to CAC in FORM CAC/IT 5 and the statement shall be made up to 30 June and 31 December each year and filed not later than 15 July and 15 January.
- The financial year for associations registered under Part F of the Act shall be from 1st January to 31st December.
- The Trustees of the Association must submit a return to CAC not earlier than 30th June or later than 31st December each year. The return must be accompanied by the audited statement of accounts for the year of return.

Business Rescue Framework [S. 443, 710]

CAMA makes provision for Business Rescue through Administration or Company Voluntary Arrangement.

Dissolution/Exit Option(s)

[S. 570, 620, 649, 692]

Winding up

A company may be wound up voluntarily by the shareholders, or by the creditors under the supervision of the Courts.

Striking off

A company may apply to the CAC to strike out its name from the Register of Companies on the condition that the company has not commenced business and has no undischarged obligations.

NIGERIAN INVESTMENT PROMOTION COMMISSION ACT (NIPC)

The Nigerian Investment Promotion Council (“NIPC”) Act established NIPC, as an Agency of the Federal Government, responsible for promoting and encouraging local and foreign investment in Nigeria.

Items	Comments
OSIC	NIPC operates the One-Stop Investment Centre (“OSIC”) where it brings the relevant government agencies to a single platform, to simplify and fast track the business entry process for investors. At OSIC, investors may apply for licences and approvals from the relevant regulatory agencies.
Investment in Nigeria [S. 17, 20, 21]	<p>Except in relevant industries (where local content is prescribed) or where there is an express prohibition (such as the Negative List in the NIPC Act), Nigeria operates a free enterprise system, that is, 100% foreign ownership of companies is allowed. The Negative Lists include; the production of arms and ammunition, production of and dealing in narcotic drugs and psychotropic substances, production of military and paramilitary wears and accoutrements, and inland shipping.</p> <p>Upon incorporation, Nigerian companies (with share capital), whether wholly or jointly owned by foreigners, must obtain a Business Registration Certificate from NIPC before the commencement of business.</p> <p>A non-resident enterprise may also invest in the shares of Nigerian companies in any convertible foreign currency.</p>
Guaranteed Transferability of Funds [S 24]	Repatriation of dividends, interests or capital is guaranteed through a licensed Nigerian Bank. When making an application for repatriation of funds, the applicant must provide the supporting documents listed in the Revised Foreign Exchange Manual.
Protection Against Expropriation [S.25]	<p>Expropriation or nationalisation is prohibited. Also, no person/enterprise can be compelled to surrender its interest to another person.</p> <p>Where the Federal Government acquires an enterprise for national interest or public purpose, there must be payment of fair and adequate compensation; payment must be made without undue delays and authorisation for repatriation in convertible currency must be issued. The investor’s right to court (for the purposes of determining compensation is guaranteed).</p>
Pioneer Status Incentive [S. 1, 3, & 10 Industrial Development (Income Tax Relief) Act]	<p>Pioneer Status Incentive (“PSI”) is an incentive administered by the NIPC to qualifying companies engaged in specific products or industries designated as “pioneer” (A pioneer industry is one where business activities in Nigeria are currently not being conducted on a scale that is suitable to the economic requirements of Nigeria, or where there are favourable prospects of further development which is desirable for the country).</p> <p>PSI exempts the profits from the pioneer product(s) from companies income tax for an initial period of three years, which may be extended for one or two years. Currently, there are 99 pioneer industries and products.</p>

FOREIGN EXCHANGE CONTROL

The administration and use of foreign currency in Nigeria fall under the regulatory purview of the Central Bank of Nigeria (“CBN”). The CBN has issued the Foreign Exchange Manual (the “Manual”) which contains a list of transactions that are eligible for foreign exchange (“forex”) at the official market.

Item	Comment / Description
<p>Foreign Exchange Control</p> <p>[S 1, 15 FEMMPA]</p> <p>Memorandum 18, 20, 21, 22, 24, 25 of the Manual]</p>	<p>Where a Certificate of Capital Importation (“CCI”) is issued in favour of the foreign investor, the Nigerian company will be allowed to repatriate the capital or return on investment (e.g. dividends, interest), if it meets the conditions stipulated in the Manual.</p> <p>Any person (Nigerians and Foreigners) may open and operate a domiciliary account with a Nigerian bank. The domiciliary accounts may be operated as savings or current accounts in the specified foreign currencies (Austrian Dollar, Canadian Dollar, Japanese Yen, CFA Franc, Chinese Yuan/Renminbi, Swiss Francs, Indian Rupee, United Kingdom Pound Sterling, United States Dollar, the Indian Rupee, Euro, and South African Rand).</p> <p>Family Maintenance Allowance</p> <p>Foreigners can remit 100% of their net income (while physically resident in Nigeria) for the maintenance of dependants.</p> <p>An expatriate with an accompanying spouse (immigration status) and resident permit cannot enjoy the Personal Home Remittances facility but can transfer funds outside Nigeria for any other purpose.</p> <p>Family maintenance allowance may be continued only while the expatriate is actually resident in Nigeria and receives salary. It ceases if the expatriate has left Nigeria.</p> <p>Leave Pay</p> <p>Foreign nationals working in Nigeria can remit 100% of their leave allowance during any calendar year. In all cases, the amount remitted must not exceed the leave allowance of the foreign national.</p> <p>Provident Fund Payments</p> <p>Nigerian banks may approve applications made by foreign nationals to remit Provident Fund payments provided documentary evidence of the amount due is produced and income tax has been paid or that the monies are exempted from taxation. Such remittances form part of the repatriable 100% of net income and educational expenses (student tuition and maintenance).</p> <p>The Foreign Nationals’ Personal Home Remittances applies solely to foreigners resident in Nigeria. It is assumed that the foreigner’s income is earned in Nigeria, thus the need for repatriation. Actual transfer may be made once a month based on the remuneration received for the previous month.</p>

An application by a foreign national resident in Nigeria to remit money outside Nigeria for family maintenance is made to a licensed Bank in Nigeria with the following supporting documents:

- a duly completed Form "A"
- certified Tax Deduction Card
- photocopy of Relevant Pages of Passport
- residence permit
- evidence of operation of current account with the bank and of payment of salaries into the account.

To access foreign currency at the official bank rate, the transaction must qualify as an eligible transaction within the definition of the Manual. Eligible transactions include Expatriate Personal Home Remittances (monthly remittance, gratuity, leave pay, final balance, bonus, provident fund and company's share of provident/pension fund liabilities to expatriate staff).

Nigerians cannot make remittances under the Foreign Nationals' Personal Home Remittances provisions. Eligible transactions for Nigerians include travels (Personal Travel Allowance (PTA), Business Trip Allowance (BTA), medical tours, pilgrimage), mortgage payment and educational expenses (student tuition and maintenance).

MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM (AML/CFT)

The primary legislation on money laundering and terrorism are the Money Laundering (Prevention and Prohibition) Act 2022 (“**MLA**”) and the Terrorism (Prevention) Act 2013 (“**TPA**”).

The coordinating agency for Nigeria’s AML/CFT is the Economic and Financial Crimes Commission (“**EFCC**”), while the Nigerian Financial Intelligence Unit (“**NFIU**”) is the national repository of financial disclosures of cash-based transaction reports, currency transaction reports and suspicious transaction reports.

Item	Comment / Description
<p>Compliance requirements</p> <p>[S. 3, 4, 7, 8, 9, 11, and 17 MLA]</p>	<p>Designated Non-Financial Institutions (“DNFIs”) have compliance obligations and are required to put structures in place to prevent investigation or prosecution under anti-money laundering and terrorism prevention laws.</p> <p>Some of the statutory obligations are:</p> <p>DNFIs are required to register with the Special Control Unit Against Money Laundering (“SCUML”) and obtain a registration certificate.</p> <ul style="list-style-type: none"> • verification of customer’s identity before entering any business relationship- this is achieved through the Know You Customer (“KYC”) procedures. Where the customer is a Public Officer, the DNFI must set up appropriate risk management systems and obtain senior management approval before establishing any business relationship with the Public Officer. • scrutinise on-going transactions to ensure the customer’s transaction is consistent with the business and risk profile. • file report of suspicious transactions with EFCC/NFIU within 24 hours of the transaction. In addition, Currency Transaction Reports (“CTRs”) and Cash Based Transaction Reports (“CBTRs”) should be filed with SCUML within 7 days of the transaction. • keep records of reports and customers’ identities for a minimum of five years. • develop programmes to combat laundering of proceeds of crime or other illegal acts. These programmes must include: <ul style="list-style-type: none"> ○ designation/appointment of compliance officers; ○ regular training programmes for employees; ○ centralisation of the information collected; and ○ establishment of an internal audit unit to ensure compliance and effectiveness of the measures taken to enforce the provision of the law. <p>There are several offences created under the primary legislation and other relevant laws which are punishable by fine, imprisonment or both.</p>

NATIONAL OFFICE FOR TECHNOLOGY ACQUISITION AND PROMOTION (“NOTAP”)

The NOTAP Act establishes NOTAP which is empowered to regulate the transfer of foreign technology to Nigerian companies. NOTAP has issued the Revised Guidelines for Registration and Monitoring of Technology Transfer Agreements in Nigeria for the evaluation of technology transfer contracts.

Items	Comment/Description
<p>NOTAP Registration [S. 5, 6, 8]</p>	<p>Where a Nigerian company seeks to make payment to a non-resident on a technology contract, such a contract must be registered with NOTAP to enable access to foreign exchange at the official rate.</p> <p>Non-registration of a contract does not affect the legality or validity of the contract. NOTAP registration is mainly required for obtaining foreign exchange at the official rate.</p> <p>Typical contracts requiring registration include agreements on:</p> <ul style="list-style-type: none"> • use of trademarks • right to use patented invention • supply of technical expertise in the form of the preparation of plans, diagrams, operating manuals • supply of basic or detailed engineering • supply of machinery and plant • provision of operation staff or managerial assistance and training personnel. <p>Technology Transfer Agreements have both general and specific requirements. The specific requirements of the agreements are registered under these titles or as a Composite (combination of two or more):</p> <ul style="list-style-type: none"> • Trademark Licence • Technical Know-How • Management Services • Technical Services • Consultancy • Software Licence • Franchise • Research and Development (R&D) • Trademark Licence and Technical Know-How Agreement • Technical Know-How & Management Services • Hotel Management Agreement • Consultancy and Technical Know-How • Value Added Services • Shared Services <p>All Technology Transfer Agreements are subject to Technical, Economic, Legal, Pre-Execution and Post Execution Evaluations. Monitoring visits are conducted at the Pre-registration and post-registration phases to ensure compliance with the submissions and subsequent approval of the Technology Transfer Agreements respectively.</p>

IMMIGRATION ACT, 2015

The Act establishes the Nigeria Immigration Service (“NIS”) and empowers it to issue the Nigerian passport, control the entry and exit of immigrants in Nigeria and to issue residence permits. The NIS has issued the Immigration Regulation 2017 to provide an implementation framework.

Items	Comment / Description
<p>Work and Residency Permits</p> <p>[S. 36, 37, 38]</p>	<p>All Nigerian companies wholly or jointly owned by foreigners must apply to the Ministry of Interior (“Mol”) for a business permit.</p> <p>A foreigner cannot accept employment (except with the Federal or State Government) without the consent of the Comptroller General of Immigration given in the form of a work permit.</p> <p>Where a company intends to employ foreigners on a long-term basis, it must obtain an approved expatriate quota position (“EQP”) before it can employ such expatriates.</p> <p>EQPs are generally granted for technical, managerial and professional positions for which qualified Nigerians are not readily available. Such positions are usually valid for an initial period of three years and are renewable every two years for a maximum period of 10 years.</p> <p>Permanent Until Reviewed (“PUR”) slot(s) are available for key officers (i.e., Managing director) of the company. It is valid for an initial period of ten years and may be revalidated subsequently for further periods.</p> <p>Where a company intends to utilise the services of expatriates to conclude short-term assignments in Nigeria, they could do so by bringing in the expatriates on the Temporary Work Permit (“TWP”). A TWP pre-approval is required to obtain the TWP visa.</p> <p>Companies are expected to relinquish immigration responsibilities for assignees who have left their employ by processing a cancellation/deletion with the NIS.</p> <p>In line with local content laws, companies must ensure that each assignee on an expatriate quota position is understudied by two Nigerian employees with qualifications of at least a Higher National Diploma (“HND”).</p>

THE NIGERIAN LEGAL SYSTEM AND THE COURTS

Items	Comment/Description
Nigerian Legal System and the Courts	<p>The Nigerian legal system comprises codified laws (enacted by the National and State Houses of Assemblies - the equivalent of Parliament), Rules of Common Law, Nigerian Customary Law and Statutes of General Application applicable in England at 1st January 1900.</p> <p>The Courts in Nigeria are not bound by the decisions of the Courts in England however, the decisions of the Courts in England are highly persuasive, in the absence of codified Nigerian Law.</p>
Hierarchy of Courts	<p>The Courts of record (relevant to this publication) recognised under the Nigerian Constitution are</p> <ul style="list-style-type: none"> • The Supreme Court • The Court of Appeal • The Federal High Court, the State High Court and the National Industrial Courts
Specialised Courts	<p>The Federal High Court (“FHC”) - All matters arising from the administration of CAMA 2020; relating to the revenue of the Federal Government or involving Federal Government Agencies. Appeals from the FHC go to the Court of Appeal with the final appeal lying with the Supreme Court.</p> <p>The National Industrial Court (“NIC”)- All employment related issues. Appeals from the NIC go to the Court of Appeal.</p> <p>The Investment and Securities Tribunal (“IST”) - The IST has exclusive jurisdiction to determine issues arising from the Investment and Securities Act and matters relating to a decision or determination of the Securities and Exchange Commission (“SEC”) on disputes between Capital Market Operators, Capital Market Operators and their clients, Investors and a securities exchange, or between Capital Market Operators and a Self Regulatory Organisation (“SRO”) such as the Nigerian Stock Exchange Group Plc; operation of Collective Investment Schemes.</p> <p>Appeals from the IST go to the Court of Appeal.</p> <p>Tax Appeal Tribunal (“TAT”)- Tax disputes arising from the operations of tax laws legislated by the National Assembly. The jurisdiction of the TAT covers all tax related matters such as appeal against tax assessments issued by the tax authorities (both at the Federal and State level) in respect of tax laws enacted by the National Assembly.</p> <p>Appeals from the decision of the TAT go to the FHC.</p>

DISPUTE RESOLUTION AND ENFORCEMENT OF AWARDS

Items	Comment/Description
<p>Settlement of investment disputes</p> <p>[S. 251 Constitution, S. 2 ICSIDC]</p>	<p>Alternative Dispute Resolution (“ADR”) mechanisms and jurisdictional agreements are recognised by the Nigerian Courts.</p> <p>Judgments obtained in foreign courts are registrable and enforceable in Nigeria where reciprocal treatment is given to Nigerian judgments in the country of origin.</p> <p>Nigeria has domesticated the New York Convention 1958 and the International Centre for Settlement of Investment Disputes (“ICSID”) Convention 1965 under the Arbitration and Conciliation Act and the International Centre for Settlement of Investment Disputes Convention (Enforcement of Awards) Act respectively.</p> <p>ICSID awards are enforced directly at the Supreme Court of Nigeria, making them non appealable.</p>
<p>Investment disputes</p> <p>[S.26 NIPC Act]</p>	<p>Investors may settle investment disputes with any government of the Federation amicably or through ADR mechanisms. Where the parties are unable to resolve a dispute amicably, in the case of a:</p> <ol style="list-style-type: none"> a. Nigerian Investor, the dispute shall be resolved by Arbitration in accordance with the Arbitration and Conciliation Act; b. foreign investor, in accordance with any bilateral or multilateral agreement on investment protection to which Nigeria and the Country of the foreign investor are parties. <p>The parties to an investment dispute are at liberty to agree to any other National or international machinery for the settlement of investment disputes. Where both parties are unable to agree on the mode of dispute settlement to be adopted, the ICSID Rules will apply.</p>

THE NIGERIA STARTUP BILL

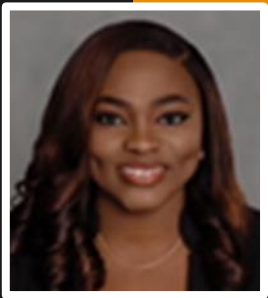
The Nigeria Startup Bill (“**Bill**”) was introduced in 2021. The Bill seeks to encourage the development of startups in Nigeria by creating an enabling regulatory environment with business and investment support. The Bill is currently undergoing review by the National Assembly, the final version may be different from the summary provided below.

Item	Comment / Description
<p>[S. 3, 7, 10, 13, 19, 24-31, 33-38]</p>	<p>Some of the notable provisions in the Bill include:</p> <ol style="list-style-type: none"> a. The creation of the National Council for Digital Innovation and Entrepreneurship (“NCDIE”), which would have the responsibility of achieving the objectives of the Bill, monitoring and evaluating regulatory framework for startups and providing the needed support for startups. b. Only labelled startups are eligible for the incentives under the Bill. Labelled startups are limited liability companies, sole proprietorships or partnerships registered with the CAC, and have been in existence for not more than 10 years, with business objects of innovation, development, production, improvement and commercialisation of a digital technology innovative product and process. A labelled startup must be a repository or holder of a digital technology product or process or the owner or author of a software and have a Nigerian founder or co-founder who shares in the profits of the labelled startup. c. The establishment of a Startup Support and Engagement Portal, a platform for registration of labelled startups with government Ministries, Departments and Agencies. d. The establishment of a Startup Investment Seed Fund to be managed by the Nigerian Sovereign Investment Authority. The Fund may be applied to finance labelled startups and provide relief to technology laboratories, accelerators, incubators and hubs. e. The Bill seeks to grant tax incentives to labelled startups, their investors and employees. For example, labelled startups are entitled to income tax relief for four years and may benefit from a 5% tax relief for employing graduates who have no prior work experience. Labelled startups may also participate in any Credit Guarantee Schemes or additional tax incentives for the development of startups. Investors in labelled startups will benefit from investment tax credits and Capital Gains tax exemption, while the employees of labelled startups will enjoy personal income tax exemption on 35% of their income for 2 years. f. The Bill provides for collaboration between the NCDIE and relevant regulators such as the CAC, Nigerian Copyright Commission, NOTAP, SEC, CBN, etc to streamline and expedite approvals for transactions involving labelled startups.

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