

Business Intelligence & Commercial Awareness (BICA) Report Q3, 2025

Introduction

The third quarter of 2025 recorded major policy and regulatory developments shaping business operations across several sectors in Nigeria. Notable highlights include stronger enforcement in data protection, key reforms in the insurance and payments industries, and new compliance frameworks governing oil exports, digital lending, and tax administration. These developments reflect the government's continuing drive to strengthen regulation, improve transparency, and promote a more structured business environment.

During the quarter, significant actions such as the passage of the Nigerian Insurance Industry Reform Act (NIIRA) 2025, the NDPC's record fine on Multichoice and its probe into over 1,300 organisations, and new directives from the CBN and NUPRC underscored this momentum. Other important developments, including blockchain integration in agriculture and the UN's resolution on global AI governance, highlight Nigeria's growing participation in emerging global trends.

In this edition of our Business Intelligence and Commercial Awareness (BICA) Report, we highlight these key developments from Q3 2025 and consider their practical impact on businesses, investors, and policymakers navigating Nigeria's

changing regulatory and commercial landscape.



1. NDPC Fines Multichoice Nigeria for Violation of NDP Act

In a landmark enforcement action, the Nigeria Data Protection Commission (NDPC) has imposed a fine of N766.24 million on Multichoice Nigeria for violating provisions of the Nigeria Data Protection Act (NDPA) 2023. The sanction followed an investigation launched in the second quarter of 2024, which revealed breaches of subscribers' privacy rights and unlawful cross-border transfer of Nigerians' personal data. The NDPC found that Multichoice's data processing practices were intrusive, unfair, unnecessary, and disproportionate, constituting a grave violation of

the constitutional right to privacy under Section 37 of the 1999 Constitution.

While the Commission initially directed Multichoice to undertake remedial measures under its remediation-first approach, it concluded that the company's response was unsatisfactory, leading to the imposition of the fine. The Commission further directed that all outlets and platforms through which Multichoice collects Nigerian citizens' personal data be investigated for non-compliance, warning that any entity found processing data in violation of the NDPA would face penalties.

This enforcement marks the largest fine under the NDPA to date, signalling NDPC's readiness to escalate from cooperative remediation to punitive sanctions where compliance is lacking. For businesses operating in Nigeria, the case underscores the urgent need to strengthen data governance frameworks, including lawful data transfer protocols, transparent consent management, and adequate safeguards for personal data. Firms should anticipate closer regulatory scrutiny, with potential reputational and financial risks for non-compliance.

Robust enforcement enhances Nigeria's digital trust environment, potentially improving the competitiveness of compliant organisations in both local and global markets thus presenting an upside to these enforcement actions. Investors and corporate actors are therefore advised to treat data protection compliance as a strategic priority, integrating it into broader governance, risk, and compliance (GRC) frameworks.



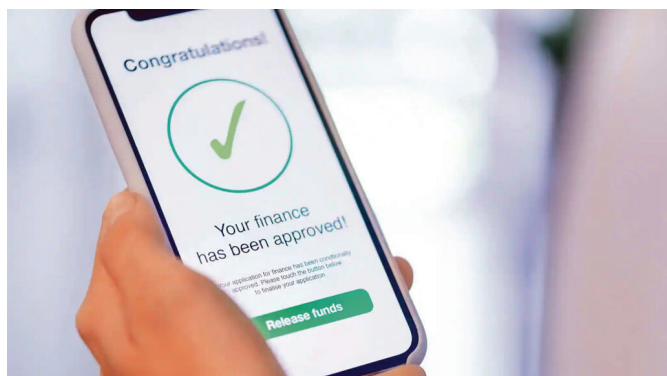
2.NDPC launches probe into 1,369 Nigerian companies over data privacy violations

In a decisive step to strengthen Nigeria's data governance landscape, the Nigeria Data Protection Commission (NDPC) has commenced a sector-wide investigation into 1,369 organisations suspected of violating provisions of the Nigeria Data Protection Act (NDPA) 2023. The investigation, announced through the Commission's Head of Legal, Enforcement and Regulations, targets sensitive sectors including banking, insurance, pensions, insurance brokerage, and gaming. Specifically, the probe encompasses 795 financial institutions, 392 insurance brokers, 35 insurance companies, 10 pension operators, and 136 gaming companies. Each of these entities has been issued a compliance notice and granted 21 days to demonstrate adherence to the NDPA or face regulatory sanctions.

The NDPC has also mandated that affected organisations provide evidence of filing their 2024 compliance audit returns, formal appointment of a Data Protection Officer with full contact details, disclosure of technical and organisational safeguards adopted for data protection, and proof of registration as a data controller or processor of major importance. The Commission underscored that these measures align with its constitutional mandate to safeguard the rights and freedoms of data subjects while fostering a trusted digital economy.

Overall, the NDPC's latest initiative signals heightened scrutiny for organisations operating in Nigeria's financial and gaming ecosystems. For businesses, the implications extend beyond financial penalties to reputational risk, operational adjustments, and increased compliance costs. At the same time, the Commission's stance offers a structured pathway for remediation, underscoring both the urgency and opportunity for stakeholders to align their practices with global standards in data protection and digital trust¹.

1. NDPC launches probe into 1,369 Nigerian companies over data privacy violations



3.FCCPC's new rule on loan app interest rates unsettles Nigeria's digital lenders

In a development set to reshape Nigeria's fast-growing digital lending market, the Federal Competition and Consumer Protection Commission (FCCPC) has released the Digital, Electronic, Online, or Non-Traditional Consumer Lending Regulations, 2025, introducing stricter oversight of loan apps. Central to the new rules is the FCCPC's power to monitor and assess interest rates, ensuring they are not "exploitative or inimical to consumer interest."

While the move responds to longstanding complaints from borrowers over exorbitant charges sometimes amounting to an annual interest rate in the neighbourhood of 200%, digital lenders have raised concerns, arguing that pricing is largely driven by the cost of funds, technology, and high credit risk associated with serving financially vulnerable customers. Industry representatives, including the Money Lenders Association (MLA), warned that regulating rates without providing cheaper funding sources could destabilize the sector.

Nevertheless, provisions that prohibit invasive practices such as accessing borrowers' contacts and photos, require clearer disclosure of loan terms, and mandate greater reliance on credit bureaus are a welcome development.

The Regulation expands upon the 2022 Interim

Framework, pursuant to which over 425 lenders have duly registered with the Federal Competition and Consumer Protection Commission (FCCPC).. Under the new rules, violators face significant penalties, including fines of up to N50 million for individuals and N100 million or 1% of turnover for companies, as well as suspension, delisting, or revocation of licenses.

Industry observers noted that the framework signals a shift from experimental oversight to full integration of digital lending into Nigeria's regulated financial system. For businesses, this regulatory tightening presents both risks and opportunities: on one hand, it raises compliance costs and operational risks for loan app operators; on the other, it promises a more stable and transparent ecosystem, potentially enhancing consumer trust and long-term sustainability in the digital credit market².



4.NUPRC mandates export clearance, digital tracking for oil shipments

In a significant regulatory shift aimed at tightening oversight of Nigeria's oil exports, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has introduced the Advance Cargo Declaration Regulation, 2024, mandating exporters of crude oil and petroleum products to secure a permit, vessel clearance, and a Unique Identification Number (UIN) before any shipment can depart the country. Under the new framework, all export activities must be pre-cleared through the Commission's digital platforms, with exporters

required to submit shipment details electronically for verification prior to loading. Supporting documents such as the Bill of Lading, Certificate of Origin, and cargo manifest must also reference the UIN, ensuring full traceability of cargoes from source to final exit point.

The regulation³, is designed to curb long-standing challenges of under-declaration, illegal exports, and revenue leakage. Exporters must now upload cargo data within 24 hours of loading, enabling real-time monitoring and integration with broader national export and security systems. This measure modernises Nigeria's upstream operations by guaranteeing that only properly measured and certified products leave the country, while also reducing theft and manipulation at export terminals. With Nigeria's crude and petroleum exports valued at N12.96 trillion in the first quarter of 2025, the Commission emphasised that this regulation would improve accuracy in revenue generation and strengthen national oversight of energy exports. Vessels lacking proper documentation will be denied clearance, and violators face administrative sanctions.

The introduction of the Advance Cargo Declaration Regulation also carries strategic implications for upstream operators, traders, and shipping companies. Oil exporters will need to strengthen regulatory compliance frameworks, ensuring timely submission of documentation and integration with NUPRC's digital platforms. For trading firms, the regulation introduces an additional layer of operational risk and cost, as delays or incomplete documentation could disrupt shipment schedules and contractual obligations. Shipping operators must also adapt to stricter vessel clearance protocols, which may require closer coordination with exporters and regulators to avoid detention at ports.

On the upside, the new system enhances market transparency and revenue assurance, which could bolster investor confidence in Nigeria's oil sector and improve the country's credibility in global energy markets. For local and international investors, the framework reduces exposure to regulatory uncertainty tied to oil theft, under-declaration, and opaque export practices. However, stakeholders should anticipate a period of adjustment as compliance systems are tested, and should invest in digital reporting capabilities, staff training, and governance structures to mitigate risks of non-compliance⁴.



5. NIGERIAN INSURANCE INDUSTRY REFORM ACT

In a landmark development for Nigeria's financial services sector, the Federal Government has enacted the Nigerian Insurance Industry Reform Act (NIIRA) 2025, replacing a framework that had governed the industry for more than two decades. The Act introduces wide-ranging reforms designed to strengthen market stability, attract investment, and enhance consumer protection, while positioning the insurance sector as a more resilient contributor to Nigeria's broader economic modernization agenda.

³ Issued pursuant to Section 10(f) of the Petroleum Industry Act 2021

⁴ NUPRC mandates export clearance, digital tracking for oil shipments

Key provisions of the NIIRA 2025 include higher capital requirements for insurance companies, stricter enforcement of compulsory insurance policies, and the digitisation of insurance processes to modernise operations and expand market reach. The Act also introduces tighter regulations on claims settlement timelines, ensuring more predictable and timely payouts to policyholders. Significantly, the Act mandates the creation of policyholder protection funds to safeguard consumers in cases of insurer insolvency, reinforcing trust in the system. The National Insurance Commission (NAICOM) has been charged with full implementation and enforcement of these reforms.

The passage of NIIRA 2025 marks a regulatory reset for Nigeria's insurance industry, with direct implications for operators, investors, and consumers. Insurers will need to pursue recapitalisation and consolidation strategies to meet higher capital thresholds, which may drive mergers and acquisitions in the sector. For international investors, the reforms enhance market appeal by strengthening governance, transparency, and consumer safeguards.

The emphasis on digitisation and compulsory insurance presents opportunities for InsurTech solutions and distribution partnerships, expanding penetration in an underinsured market. At the same time, firms face increased compliance costs and operational adjustments to align with stricter settlement rules and NAICOM's oversight. Ultimately, NIIRA 2025 provides a more robust framework to support sustainable growth, consumer confidence, and global competitiveness in Nigeria's insurance industry⁵.



6. CBN gives banks Oct. 31 deadline for payment system upgrade

In a decisive step to modernise Nigeria's financial infrastructure, the Central Bank of Nigeria (CBN) has issued a directive mandating all participants in the payment ecosystem to complete migration to the ISO 20022 global messaging standard and implement mandatory geo-tagging of payment terminals by October 31, 2025. The circular, emphasises compliance is compulsory for Deposit Money Banks, Microfinance Banks, Mobile Money Operators, Switching and Processing Companies, Payment Terminal Service Providers, Payment Solution Service Providers, Super Agents, and other licensed operators. The CBN highlighted that ISO 20022 has become the international benchmark for payment messaging and is now central to SWIFT's global migration timeline, requiring the standardisation of quality data across Nigeria's financial system.

Under the directive, all payment transaction messages—domestic and international—must be formatted to ISO 20022 specifications, including accurate completion of mandatory data elements such as payer and payee identifiers, merchant and agent identifiers, and transaction data. To strengthen oversight and mitigate fraud, the CBN also mandated the geo-tagging of all payment

⁵ New Insurance Law Enacted in Nigeria (NIIRA) 2025

terminals, requiring native geolocation services, and registration through a Payment Terminal Service Aggregator (PTSA). Compliance validation exercises are scheduled to commence on October 20, 2025, with all existing terminals required to be geo-tagged within 60 days of the circular and new terminals geo-tagged before certification and activation.

The directive marks a critical inflection point for Nigeria's payments ecosystem, aligning it with international best practices in messaging and security. For banks and fintechs, migration to ISO 20022 will require significant upgrades in core banking systems, middleware, and compliance reporting tools, with potential cost and integration challenges in the short term. However, once implemented, the standard promises richer, more structured data, enabling improved analytics, fraud detection, and regulatory oversight. Mandatory geo-tagging will enhance transparency in electronic payments, closing loopholes exploited in fraud and unregulated terminal deployment, but will also increase the compliance burden for payment terminal providers.

For investors and operators, these reforms strengthen confidence in the Nigerian payments sector by embedding global interoperability and real-time traceability, laying the groundwork for deeper participation in regional and international financial markets⁶.



7. UN Adopts Landmark Resolution Establishing Global AI Governance Framework

The United Nations General Assembly (UNGA) adopted Resolution A/79/325 in August of 2025, establishing a new global framework for artificial intelligence governance. The framework includes the Global Dialogue on AI Governance for inclusive deliberation and the Independent International Scientific Panel on AI to assess AI's impact.

The resolution has been hailed as both a symbolic and ambitious milestone, marking the world's most inclusive effort to date in shaping international norms for AI. By bringing together member states under the UN umbrella, the framework seeks to balance innovation with safeguards against misuse, while ensuring that developing countries also have a voice in global AI policy debates.

The UN's initiative signals a paradigm shift toward multilateral oversight of AI, with potential implications for national regulators, tech companies, and investors. For governments, participation in the Global Dialogue could influence standards, trade, and cross-border data governance. For businesses, the framework raises expectations of greater transparency, accountability, and alignment with global norms, especially for firms deploying AI in sensitive sectors. Strategically, the resolution underscores that AI governance is moving from fragmented national policies toward a globally coordinated regime, likely shaping future regulation, compliance obligations, and investment strategies across industries⁷.

⁶ CBN gives banks Oct. 31 deadline for payment system upgrade

⁷ UN Adopts Landmark Resolution Establishing Global AI Governance Framework



8. AFAN, African Holdings Corporation signs agreement to pioneer blockchain integration, asset tokenization in Agriculture

The All-Farmers Association of Nigeria (AFAN), has signed a landmark Memorandum of Agreement (MoA) with African Holdings Corporation (AHC) to integrate blockchain technology into Nigeria's agricultural sector. A central feature of the partnership is the introduction of real-world asset (RWA) tokenization, through which blockchain tokens backed by Nigerian agro-commodities will be created, allowing farmers to leverage their produce as tradeable digital assets.

The collaboration also envisions community tokens designed to empower cooperative engagement, localised transactions, and incentivised farmer participation. Beyond tokenisation, the blockchain ecosystem will extend to insurance solutions, educational resources for capacity building, geo-mapping and precision agriculture tools, and market linkages connecting farmers to buyers, investors, and service providers.

This partnership positions Nigerian farmers at the forefront of digital agriculture, offering transformative opportunities for financial inclusion,

global market access, and wealth creation. For the agricultural value chain, tokenization of commodities could create alternative financing models, attracting institutional and retail investors into agriculture through blockchain-backed instruments. The initiative also has implications for food security, as enhanced data transparency and precision agriculture tools may improve productivity and resilience.

The success of the programme is hinged on regulatory clarity for digital assets, infrastructure readiness in rural communities, and digital literacy among farmers. If well executed, the partnership could serve as a continental model for merging traditional agriculture with digital economies, advancing both sustainability and competitiveness in Nigeria's agricultural sector⁸.



9. Withholding Tax from Interest on Investment In Short - Term Securities

The Federal Inland Revenue Service (FIRS) has issued a compliance notice reminding banks, stockbrokers, corporate bond issuers, PDMs, and other financial institutions of their obligations under the Companies Income Tax Act (CITA) and the Withholding Tax Regulations 2024. The circular mandates that tax be deducted from all interest payments on short-term securities at the point of payment and remitted to the relevant authority by

⁸ AFAN, African Holdings Corporation signs agreement to pioneer blockchain integration, asset tokenization in Agriculture

the 21st day of the following month.

According to the directive, investors will receive a tax credit equal to the amount withheld and remitted unless the deduction represents final tax. Importantly, Federal Government bonds remain exempt from withholding, while the scope of taxable short-term securities includes treasury bills, promissory notes, corporate bonds, financial papers, and bills of exchange. Failure to comply would attract statutory penalties and interest charges.

The notice reinforces the government's focus on tightening tax compliance in the financial markets, ensuring more predictable revenue flows from interest-bearing instruments. For investors, the policy underscores the importance of tax planning and accurate reporting, particularly for institutions managing portfolios of short-term securities. For issuers and intermediaries, compliance systems must be aligned to avoid penalties, while exempt instruments like FGN bonds may gain relative appeal. Strategically, this move balances Nigeria's revenue mobilisation goals with efforts to deepen confidence in the capital markets through regulatory clarity⁹.

Conclusion

The third quarter of 2025 further demonstrated how regulation, innovation, and institutional reform are shaping Nigeria's business climate. With stronger data protection enforcement, new financial and energy sector controls, and continued efforts to digitalise key processes, the quarter reflected a clear focus on accountability and stability.

As reforms gather pace, businesses will need to stay alert to shifting compliance requirements and policy priorities. A proactive approach, anchored in sound governance, regulatory awareness, and

strategic planning will be essential to manage risks and seize opportunities in an economy that is becoming more transparent, technology-driven, and globally connected.

⁹ Withholding of Tax from Interest on Investment in Short Term Securities

KEY CONTACTS:



NOSA JOHN GRAHAM GARRICK

SENIOR PARTNER

NOSA.GARRICK@FGARRICKCO.COM



BOLA OSINEYE

MANAGING PARTNER

BOLA.OSINEYE@FGARRICKCO.COM



F.A. GARRICK & CO

Corporate Office:

45 Calcutta Cres, Apapa Quays, Lagos

Phones:

Bola Osineye: +234 808 644 3239

Nosa John Graham Garrick: +234 811 215 9999

Emails:

info@fgarrickco.com

nosa.garrick@fgarrickco.com

bola.osineye@fgarrickco.com

Website: www.fgarrickco.com

This Publication is published for the general information of our clients, contacts and interested persons and does not constitute legal advice.