



F.A. GARRICK & CO

LEGAL PRACTITIONERS, PATENT,  
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# F.A. Garrick & Co Business Intelligence & Commercial Awareness Report for Q2 2025

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In this edition of our Business Intelligence and Commercial Awareness (BICA) Report, we examine some of the most consequential developments from Q2 2025 and assess their practical implications for businesses currently operating in, or considering entry into, the Nigerian market.

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## INTRODUCTION

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### **CABOTAGE VESSEL FINANCING FUND (CVFF): A NEW DAWN FOR THE NIGERIAN MARITIME SECTOR**

In a significant move to revitalize the Nigerian maritime industry, the Federal Government through the Honorable Minister of Marine



and Blue Economy, has directed the Nigerian Maritime Administration and Safety Agency (NIMASA) to activate the long-dormant Cabotage Vessel Financing Fund (CVFF).

Established under the Coastal and Inland Shipping (Cabotage) Act, 2003, the CVFF had remained inactive until April 2025. The programme, now poised for implementation, will see an estimated US\$360 million to US\$700 million disbursed by August 2025 through 12 designated Primary Lending Institutions (PLIs), based on a 50:35:15 financing structure among NIMASA, the lending banks, and qualified shipowners respectively.

The fund is designed to provide vessel operators in Nigeria, with access to single-digit interest loans, featuring a

two-year moratorium and loan repayment tenors ranging from eight to twenty years. Its main targets are wholly Nigerian-owned entities operating vessels built, flagged, and crewed in Nigeria and holding a qualifying maritime assets not exceeding 12 months in age at the time of application.

NIMASA has positioned the CVFF, to further enhance local capacity, reduce reliance on foreign-flagged vessels, and align Nigeria's shipping industry with the broader objectives of the African Continental Free Trade Area (AfCFTA). This initiative represents a major policy pivot, from legislative inertia to an active industrial financing model with clear developmental objectives.

Overall, the CVFF introduces considerations which cannot be ignored for relevant stakeholders. These include assessment of borrower eligibility, preparation and review of loan documentation, structuring of security interests, and regulatory coordination among NIMASA, the Central Bank of Nigeria (CBN), and PLIs. Finally, the fund's emphasis on transparency and accountability will necessitate strong governance frameworks and may invite heightened oversight—both legal and reputational—for participating entities.

### CAC'S ULTIMATUM ON UNREGISTERED BUSINESSES:



On 29th April 2025, the Corporate Affairs Commission (CAC) announced a

definitive compliance directive mandating all individuals and entities operating unregistered businesses in Nigeria to ratify their status within a six-week period. Failure to comply will expose defaulters to criminal prosecution, including potential arrests and other enforcement measures.

This directive signals a marked departure from previous accommodating regulatory posturing and underscores the CAC's intensified commitment to formalizing Nigeria's vast informal business sector. It further affirms the Commission's readiness to invoke the criminal liability provisions under the Companies and Allied Matters Act, 2020 (CAMA) against non-compliant operators.

Businesses—particularly sole proprietors, digital entrepreneurs, and informal sector participants—are advised to take urgent steps toward compliance. The legal and reputational risks of operating outside the CAC's formal corporate framework have now been significantly heightened.

### CBN'S DRAFT STANDARDS FOR AUTOMATED AML COMPLIANCE:



In a notable regulatory development, the Central Bank of Nigeria (CBN), in May 2025, issued an exposure draft: *Baseline Standards for Automated Anti-Money Laundering (AML) Solutions*.

The draft framework establishes foundational standards for the use of



automated tools and artificial intelligence (AI) by Financial Institutions (FIs) in fulfilling their AML obligations.

This signals a forward-looking shift in the approach to financial sector regulation, particularly in the integration of artificial intelligence (AI) and automation in AML compliance systems.

The exposure draft outlines comprehensive baseline requirements for financial institutions (FIs), including deposit money banks, fintechs, and other reporting entities, that intend to implement automated AML solutions and mandates the establishment of robust governance and oversight structures as well as rigorous model validation protocols. FIs are required to maintain reliable audit trails, conduct ongoing assessments of data quality, and ensure the real-time monitoring of AML activities through automated systems.

The CBN also recognizes the unique risks associated with the use of AI-driven models and addresses same in the exposure draft. It mandates clear documentation of decision logic in automated compliance tool and further requires FIs to identify and mitigate potential algorithmic biases that may compromise the integrity of AML procedures or result in discriminatory outcomes.

If adopted, this framework could reshape the operational landscape for banks, fintechs, and other reporting entities by imposing significant obligations on FIs requiring a re-evaluation of current AML compliance frameworks and investment in appropriate technological infrastructure, setting expectations for transparency and model accountability. FIs looking to

or currently deploying automated AML systems are advised to proactively initiate internal compliance readiness assessments in line with the draft's provisions.

This proactive approach to automated compliance represents a policy shift in Nigeria's regulatory landscape—with the CBN in the driver seat in the adoption of technologically enhanced risk management practices within the financial services sector.

Stakeholders are also encouraged to closely monitor the ongoing consultative process for updates or modifications to the draft prior to its finalization. Institutions intending to deploy AI-based AML systems must begin internal alignment with the draft's provisions while monitoring stakeholder consultations for potential revisions.

## **COURTS REAFFIRM ENFORCEABILITY OF INFORMAL CONTRACTS: SUBSTANCE OVER FORM PREVAILS**



In a recent appellate decision that highlights the evolving posture of Nigerian courts toward the realities of commercial practice in Nigeria, the court of Appeal in *Emeka Agbo v. Skylink Technologies Ltd*<sup>1</sup> (the Court of Appeal reaffirmed the enforceability of contractual agreements even in the absence of a formally executed contract—provided that the conduct of the parties demonstrates mutual assent.

1 2025) LPELR-61328(CA),

In the matter, the appellant argued that the respondent's claim for breach of contract was untenable given the absence of a formally signed agreement. , The Court of Appeal however upheld the judgment of the trial court, holding that the appellant's conduct—specifically, acts of part performance, relevant correspondence, and reliance on the alleged agreement—constituted a clear indication of acceptance under Nigerian contract law.

The Court reiterated the settled principle of contractual law which states that; while written and executed agreements provide evidentiary clarity, they are not always a prerequisite for the existence of a binding contract. In so far as the essential elements of a valid contract—namely, offer, acceptance, consideration, and intention to create legal relations—are present and can be inferred from the conduct of the parties, an enforceable agreement may be deemed to exist.

This decision is consistent with a welcome trend in judicial reasoning that prioritizes substance over form. It highlights the courts' recognition of commercial realities, serves as a critical reminder to commercial entities and their counsel that informal exchanges, oral commitments, and partial performance may carry significant legal weight. Businesses are therefore encouraged to err on the side of caution in preliminary negotiations and ensure that material terms governing commercial transactions are properly documented at the earliest opportunity to avoid any discrepancies in alignment and commercial expectations.

## AUNIFIED TAX FUTURE: PRESIDENTIAL ASSENT TO TAX REFORMS

In a move that may come to define the next chapter of Nigeria's fiscal governance,



President Bola Ahmed Tinubu, on **26 June 2025**, signed into law four tax reform bills:

1. **Nigeria Tax Bill**; which consolidates multiple tax laws into a single, harmonized statute to simplify compliance and reduced duplication.
2. **Nigeria Tax Administration Bill**; which establishes a standardized tax administrative framework across federal, state, and local governments.
3. **Nigeria Revenue Service (Establishment) Bill**; which repeals the Federal Inland Revenue Service Act to create a more autonomous, performance-driven revenue authority. and
4. **Joint Revenue Board (Establishment) Bill**; which creates a governance structure for intergovernmental revenue coordination, including a Tax Appeal Tribunal and Tax Ombudsman.

These reforms are expected to enter into effect on **1 January 2026**, following six months of stakeholder sensitization. Together, these legislations represent the most ambitious attempt in recent memory

to recalibrate Nigeria's tax architecture both structurally and administratively. The newly enacted framework consolidates existing tax statutes, harmonizes administrative procedures across all tiers of government, and redefines the role of the national revenue authority. Notably, the **Federal Inland Revenue Service (FIRS)** will transition into the **Nigeria Revenue Service (NRS)**, a semi-autonomous body with broader administrative reach and operational independence.

While the reforms promise streamlined processes, enhanced compliance visibility, and a broader non-tax revenue mandate, they also introduce new layers of complexity. The unification of tax administration frameworks across tiers of government, though laudable in intent, will require businesses, particularly those with multi-jurisdictional footprints to undertake a thorough reassessment of their internal compliance protocols. Moreover, the integration of revenue collection functions raises important constitutional questions around federalism, particularly regarding how power is distributed between the federal government and the states in matters of taxation.

Stakeholders and the general public must approach this transition with strategic foresight, as there would most likely be a wave of interpretive challenges, especially as the implementation phase begins.

### **ADVANCING A DIGITISED JUDICIARY: LAGOS HIGH COURT INTRODUCES ELECTRONIC FILING SYSTEM FOR AFFIDAVITS.**

In a welcome stride towards judicial reform and in alignment with international best practice, the Lagos State High Court has introduced the electronic filing of affidavits.



This initiative—currently in its pilot phase across select registries—forms part of a broader digital transformation agenda aimed at enhancing efficiency, transparency, and accessibility within the justice delivery system.

This new framework enables legal practitioners and litigants to file sworn statements electronically, thereby reducing dependence on physical appearances and manual documentation.

This development however raises pertinent legal considerations which include the protocols governing remote oath administration, standards for identity verification of deponents, and the admissibility and security of electronic signatures under the applicable procedural rules.

Law firms and legal practitioners must begin to assess and adapt their internal workflows to accommodate emerging digital filing requirements and ensure that litigation teams are adequately trained in the evolving procedures.

### **CREDIT SCORES, NATIONAL IDENTIFICATION NUMBERS, AND THE EMERGING ARCHITECTURE OF FINANCIAL ENFORCEMENT IN NIGERIA:**





In June 2025, the Federal Government announced a policy initiative aimed at integrating individuals' credit scores with National Identification Numbers (NIN). This proposal forms of the larger initiative to embed financial accountability within the country's digital infrastructure. Under the proposed regime, individuals with non-performing loans or poor credit histories may face administrative restrictions, including challenges on the renewal of international passports, access to government sponsored housing and issuance of driver's licenses.

This development is a significant policy shift, one that fuses creditworthiness with access to certain civil entitlements. It reflects an evolving global trend where personal financial compliance is tethered to state-issued identity systems in a bid to improve enforcement, reduce default rates, and promote a culture of credit discipline.

While operational modalities and legislation remain under development, the proposal raises important legal considerations. Considerations include constitutional due process, the legality of extra-judicial sanctions, the limits of administrative discretion, and the safeguards against misuse of personal data.

For financial institutions, compliance and data governance professionals, there is a critical need to review client consent frameworks, data-sharing protocols, and risk management procedures in anticipation of formal implementation.

Stakeholders are advised to monitor regulatory developments closely and proactively assess the implications of this potential merger between private credit behavior and public regulatory enforcement.

## LEGAL LESSON: CELEBRITY COPYRIGHT AND SOCIAL MEDIA LIABILITY



A recent lawsuit filed against Jennifer Lopez by photographer Edwin Blanco and Backgrid USA has sparked renewed attention on the rights of photographers over images, even where the subject is a public figure. The case arose after Lopez posted professionally taken photographs of herself on her social media platforms without obtaining the necessary license. The plaintiffs are seeking statutory damages of up to \$150,000 per image under U.S. copyright law.

This case, while rooted in American law, carries clear lessons for Nigerian creatives, influencers, and public figures. Copyright in a photograph resides with the creator, not the subject. Commercial sharing of such images; particularly in endorsement-heavy posts, without permission may constitute infringement. Legal and creative professionals alike must now be more conscious of the copyright status of every asset they use in public-facing communications. When in doubt, obtaining written clearance or relying on licensed platforms remains best practice. The rise of

digital branding makes this not only a legal issue but a reputational one as well.

[IMASA to commence disbursement of \\$700 million Cabotage Vessel Fund by August 2025 - Nairametrics](#)

## CONCLUSION

The second quarter of 2025 has shown an accelerated convergence of regulatory reform, digital transformation, and commercial enforcement in Nigeria's legal and business environments.

From renewed maritime financing and digitised court processes to increasingly assertive compliance frameworks in financial, corporate, tax reforms and intellectual property considerations, stakeholders across sectors must adopt a proactive outlook to business operations. As the regulatory landscape continues to evolve, businesses and their legal advisers are urged to remain vigilant, engage with emerging frameworks early, and prioritize legal risk management in both strategic planning and day-to-day operations.

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[Jennifer Lopez sued for posting paparazzi photos of herself](#)



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