

Business Intelligence and Commercial Awareness (BICA) Report Q3, 2026

July 2026 - September 2026

Introduction

The third quarter of 2026 (“Q3 2026”) was marked by significant regulatory and commercial developments across Nigeria’s capital markets, corporate sector, digital economy, financial services, insurance, infrastructure and energy sectors. The period witnessed heightened regulatory enforcement, expanded compliance obligations and new frameworks targeting emerging areas of economic activity, alongside measures designed to support investment and infrastructure development.

Key developments include the Dangote Refinery initial public offering, the Corporate Affairs Commission’s (“CAC”) renewed enforcement of corporate filing and disclosure requirements, the Securities and Exchange Commission’s (“SEC”) proposed framework for digital and virtual assets, the Nigeria Revenue Service’s (“NRS”) guidelines on the taxation of virtual assets and the introduction of the National Digital Cloud Policy.

The quarter also saw the conclusion of the insurance sector recapitalisation exercise, a new economic regulatory framework for the ports sector, technical audit requirements for the electricity transmission network and tighter controls on the participation of Bureau De Change (“BDC”) operators in the foreign exchange market. Later in the quarter, the Central Bank of Nigeria (“CBN”) delivered a significant cut to the Monetary Policy Rate, the Nigerian Upstream Petroleum Regulatory Commission (“NUPRC”) moved against non-performing oil licences and the Federal High Court ruled on the grant of petroleum product import licences, while the NRS operationalised mandatory e-invoicing for large taxpayers. These developments have practical implications for businesses in areas including capital raising, financing costs, corporate compliance, market entry, taxation, digital assets, data management and sector-specific operations.

This Report examines these developments and their key legal and commercial implications for businesses operating in, or investing into, Nigeria.

1 Dangote Refinery IPO: A New Chapter for Nigeria's Capital Market

The initial public offering (“IPO”) of Dangote Petroleum Refinery and Petrochemicals FZE (the “Refinery”), which opened on 14 September 2026 and is scheduled to close on 13 October 2026, is a landmark development in Nigeria’s capital market and energy sector. The offer comprises 4.1 billion ordinary shares at ₦525 per share, with the goal of raising approximately ₦2.15 trillion (about US\$1.63 billion), and the shares are to be listed on the Main Board of the Nigerian Exchange.¹² The offer implies a valuation of about US\$47 billion, and the proceeds are intended to support the expansion of the Refinery’s capacity to 1.4 million barrels per day by 2029.³ The expansion could further reduce Nigeria’s reliance on imported refined petroleum products while driving growth in related sectors, including logistics, shipping, manufacturing and petrochemicals.

The offer also provides wider access to retail investors, with a minimum subscription of 10 shares and bonus shares available to eligible retail investors subject to a holding period, potentially deepening participation in Nigeria’s capital market.⁴ More broadly, its success could encourage other large privately held companies to seek public listings and demonstrate the capital market’s capacity to finance major infrastructure and industrial projects. Notably, the SEC cautioned investors to obtain information on the IPO only through official channels and to make applications and payments solely through SEC-approved receiving agents and duly registered Capital Market Operators, highlighting the regulatory oversight surrounding the offer.

The IPO underscores the importance of securities regulation, corporate governance, investor protection and continuing disclosure obligations, while potentially deepening Nigeria’s capital market and supporting the future financing of large-scale industrial projects. Prospective investors should rely only on the SEC-approved prospectus.⁵

¹ Punch, “The Dangote Refinery IPO”, available at https://punchng.com/the-dangote-refinery-ipo/#google_vignette.

² BusinessDay, “Dangote Refinery IPO: What Investors Need to Know as the ₦2.15 Trillion Offer Opens” (12 September 2026), available at <https://businessday.ng/brands-advertising/article/dangote-refinery-ipo-what-investors-need-to-know-as-the-%E2%82%A62-15-trillion-offer-opens/>.

³ OilPrice.com, “Dangote Prices Africa’s Biggest IPO at \$47 Billion” (14 September 2026), available at <https://oilprice.com/Latest-Energy-News/World-News/Dangote-Prices-Africas-Biggest-IPO-at-47-Billion.html>.

⁴ BusinessDay, “Dangote Refinery IPO: What Investors Need to Know as the ₦2.15 Trillion Offer Opens” (12 September 2026), available at <https://businessday.ng/brands-advertising/article/dangote-refinery-ipo-what-investors-need-to-know-as-the-%E2%82%A62-15-trillion-offer-opens/>.

⁵ Securities and Exchange Commission, “Dangote Petroleum Refinery and Petrochemicals Initial Public Offering”, available at <https://www.sec.gov.ng/for-investors/keep-track-of-circulars/dangote-petroleum-refinery-and-petrochemicals-initial-public-offering/>.

2

Corporate Compliance: CAC Forces Business Letter Requirements



Pursuant to a Public Notice dated 7 July 2026, the Corporate Affairs Commission (CAC) commenced, with effect from 1 August 2026, full enforcement of the statutory requirements governing the particulars to be stated on companies' trade circulars, show cards and business letters. Accordingly, companies must state, in legible characters, their registered name, registration number and registered office address, the present forenames (or initials) and surnames of all directors, together with any former names, and the nationality of any director who is not Nigerian.

These requirements are prescribed under Sections 304(1), 304(2) and 729(1)(c) of the Companies and Allied Matters Act, 2020, as amended ("CAMA"). Under Sections 304(3) and 729(2) of CAMA, non-compliance exposes the company and every officer in default to penalties prescribed by the CAC, which may accrue for each day the default continues. Companies should therefore review their letterheads, business letters, trade circulars, show cards and other official correspondence to ensure compliance and minimise exposure to regulatory sanctions.⁶⁷

⁶ Corporate Affairs Commission, "Particulars on Company Business Letters", available at <https://www.cac.gov.ng/news/6090>.

⁷ Manifold Solicitors, "Corporate Compliance Alert: CAC Enforcement of the Requirements of a Company Business Letter", available at <https://manifoldsolicitors.com/corporate-compliance-alert-cac-enforcement-of-the-requirements-of-a-company-business-letter/>.

3 CAC Commences Sixth Round of Strike-Off of Companies from the Register

The filing of annual returns remains a fundamental statutory obligation under Section 420 of CAMA. Under Section 692(3) and (4) of CAMA, the CAC may strike a company's name off the Register where it has not operated or complied with CAMA for a consecutive period of 10 years, subject to the prescribed notice and an opportunity to regularise.

By a Public Notice dated 15 July 2026, the CAC commenced the sixth batch of its strike-off exercise, involving 100,000 companies. Affected companies were given 90 days (that is, until on or about 13 October 2026) to regularise their records by filing all outstanding annual returns and the requisite Persons with Significant Control (beneficial ownership) information, failing which they will be struck off the Register without further notice.⁸

Companies should promptly verify the published list and regularise any outstanding filings before the compliance window closes. The exercise, which follows the removal of over 400,000 companies from the Register in 2025,⁹ underscores the importance of maintaining up-to-date corporate records and complying with ongoing statutory obligations.¹⁰



⁸ Nairametrics, "CAC Begins Process to Strike Off 100,000 Companies over Regulatory Non-Compliance", available at <https://nairametrics.com/2026/07/16/cac-begins-process-to-strike-off-100000-companies-over-regulatory-non-compliance/>.

⁹ Premium Times, "CAC Begins Sixth Batch of Company Strike-Off, Targets 100,000 Companies", available at <https://www.premiumtimesng.com/business/business-news/895765-cac-begins-sixth-batch-of-company-strike-off-targets-100000-companies.html>.

¹⁰ Corporate Affairs Commission, "Intention to Strike Off Companies from the Register (Batch 6)", available at <https://www.cac.gov.ng/news/6104>.

4 SEC Proposes New Regulatory Framework for Digital and Virtual Assets

On 20 August 2026, the SEC exposed for public comment the Proposed Rules on Digital and Virtual Assets Operations, Custody and Markets (the “Proposed Rules”), aimed at establishing a comprehensive framework for the issuance, tokenisation, trading, custody, transfer and settlement of digital and virtual assets in Nigeria. The Proposed Rules would apply to businesses operating in Nigeria, including Virtual Asset Service Providers (“VASPs”) and Digital Asset Custodians, as well as entities providing digital asset services to Nigerian residents. The comment period closed on 3 September 2026.¹¹

Key requirements include SEC approval for digital asset offerings and advertisements, prior approval for material changes to a regulated entity’s ownership, governance, technology or business model, and reporting of cybersecurity incidents, data loss or asset loss within 24 hours. Regulated entities must also maintain complaint-handling and conflict-management systems and provide the SEC with access to relevant transaction and operational data where required. Digital asset issuers must prepare and file a white paper containing material information about the asset and obtain SEC approval or a No-Objection before offering it to the public. Certain assets, including anonymous or fraudulent token structures and unbacked stablecoins, would be prohibited.

The Proposed Rules also prescribe minimum paid-up capital of ₦2 billion for digital asset exchanges and custodians, ₦500 million for digital asset platform operators, digital asset offering platforms and real-world asset tokenisation platforms, and ₦200 million for VASPs, and would require custodians to hold at least 80% of customer assets in cold storage.¹² In addition, retail investors’ aggregate investment in digital asset offerings would be capped at ₦10 million in any 12-month period.¹³

Entities seeking registration would generally be required to participate in the SEC’s Accelerated Regulatory Incubation Programme (“ARIP”), obtain Approval-in-Principle and satisfy requirements including Nigerian incorporation, a registered office and resident principal officers.¹⁴

¹¹ Lexworth Legal Partners, “Nigeria’s Evolving Digital Asset Ecosystem: Examining the Securities and Exchange Commission’s (SEC) Proposed Comprehensive Framework”, available at <https://www.lexworthlegal.com/nigerias-evolving-digital-asset-ecosystem-examining-the-security-and-exchange-commissions-sec-proposed-comprehensive-framework>.

¹² TechCrier, “Nigeria’s SEC Wants Crypto Firms to Hold More Capital and Keep Customer Assets Safer”, available at <https://www.techcrier.com/2026/08/nigerias-sec-wants-crypto-firms-to-hold.html>.

¹³ The Guardian, “SEC Considers Pegging Investors’ Digital Assets Exposure at ₦10m”, available at <https://guardian.ng/business-services/sec-considers-pegging-investors-digital-assets-exposure-at-n10m/>.

¹⁴ Securities and Exchange Commission, “Proposed Rules on Digital and Virtual Assets Operations, Custody and Markets”, available at https://sec.gov.ng/documents/1503/Proposed_Rules_on_Digital_and_Virtual_Asset_Operations_Custody_and_Markets.pdf.

4

SEC Proposes New Regulatory Framework for Digital and Virtual Assets

Implications for Businesses

If adopted, the Proposed Rules will materially increase compliance obligations for digital asset businesses, particularly on licensing, capitalisation, custody, disclosures, cybersecurity, data management and regulatory reporting. Foreign businesses may also be required to establish a Nigerian entity and have key officers resident in Nigeria. Overall, the framework signals closer regulation and greater accountability within Nigeria's digital asset sector, and operators should begin gap assessments against the proposed requirements ahead of the final Rules.

5

NAICOM Concludes Insurance Sector Recapitalisation



In July 2026, the National Insurance Commission (“NAICOM”) reminded insurers of the 31 July 2026 deadline for compliance with the minimum capital requirements introduced under the Nigerian Insurance Industry Reform Act 2025 (“NIIRA”). NIIRA requires minimum capital of ₦10 billion for life insurers, ₦15 billion for non-life insurers, ₦25 billion for composite insurers and ₦35 billion for reinsurance companies. NAICOM’s implementing circular and its Guidelines on the Implementation of Minimum Capital Requirements further clarified the qualifying assets and capital instruments, as well as the documentation required to

demonstrate compliance; encumbered assets and assets without perfected title are inadmissible.¹⁵

The compliance window closed on 31 July 2026. On 2 August 2026, NAICOM confirmed that 43 insurance and reinsurance companies had met the new requirements, with eight further companies under final verification;¹⁶ by 13 August 2026, the number of verified companies had risen to 50.¹⁷ According to NAICOM, the exercise produced total capital of about ₦1.079 trillion.¹⁸ The increased capital thresholds are intended to strengthen insurers’ financial resilience, enhance their capacity to underwrite larger risks and improve their ability to withstand economic shocks.

While the new requirements are likely to drive further consolidation and the exit of companies unable to meet the thresholds, which NAICOM may subject to merger, liquidation or other regulatory resolution action, they are also expected to promote greater confidence in the insurance sector, attract investment and contribute to a more financially resilient industry.¹⁹

¹⁵ National Insurance Commission, “Implementation of the New Minimum Capital Requirement (MCR) Prescribed by the Nigerian Insurance Industry Reform Act (NIIRA) 2025”, Circular Ref. NAICOM/CFI/DCT/NIIRA2025-RECAP/001, available at <https://naicom.gov.ng/wp-content/uploads/2026/05/NAICOMs-Recapitalisation-Circular-NIIRA-2025.pdf>.

¹⁶ National Insurance Commission, “NAICOM Announces Successful Completion of the Insurance Sector Recapitalization Exercise” (2 August 2026), available at <https://naicom.gov.ng/2026/08/02/naicom-announces-successful-completion/>.

¹⁷ Nairametrics, “NAICOM Confirms Seven More Insurance Companies Have Met Capital Requirement”, available at <https://nairametrics.com/2026/08/13/naicom-confirms-seven-more-insurance-companies-have-met-capital-requirement/>.

¹⁸ Inspenonline, “Insurance Sector Recapitalisation Produced ₦1.079tn — NAICOM”, available at <https://inspenonline.com/spotlight/insurance/insurance-sector-recapitalisation-produced-n1-079tn-naicom/>.

¹⁹ Proshare, “NAICOM Reaffirms July 31 Insurance Recapitalisation”, available at <https://proshare.co/articles/naicom-reaffirms-july-31-insurance-recapitalisation-deadline?menu=Finance&classification=Read&category=Insurance>.

6

Senate Passes Bill to Establish the Insurance Regulatory Commission



On 21 July 2026, the Senate passed the Insurance Regulatory Commission (Establishment) Bill (the “IRC Bill”) as part of ongoing reforms to Nigeria’s insurance sector. The IRC Bill seeks to repeal and replace the National Insurance Commission Act 1997 (the “NAICOM Act”) and rename NAICOM as the Insurance Regulatory Commission.²⁰

The proposed Commission would have enhanced regulatory powers, including issuing regulations and guidelines, exchanging information with domestic and international regulators, intervening in distressed insurance companies to protect policyholders and promoting financial stability. The IRC Bill also introduces stronger governance requirements, stricter penalties for regulatory breaches, statutory protection for the Commission and its officers in the lawful discharge of their duties and provisions for interim management where the governing board expires or is dissolved.

The IRC Bill now proceeds to the House of Representatives for concurrence before transmission to the President for assent.²¹ Until it is enacted, the NAICOM Act remains the enabling legislation for the Commission, while NIIRA continues to govern the substantive regulation of the insurance sector.²²

²⁰ Channels Television, “Senate Passes Bill to Rename NAICOM as Insurance Regulatory Commission”, available at <https://www.channelstv.com/2026/07/21/senate-passes-bill-to-rename-naicom-as-insurance-regulatory-commission/>.

²¹ ThisDay, “Senate Passes Landmark Insurance Reform Bill to Replace 1997 NAICOM Act”, available at <https://www.thisdaylive.com/2026/07/22/senate-passes-landmark-insurance-reform-bill-to-replace-1997-naicom-act/>.

²² Punch, “Senate Passes Bill Strengthening Insurance Regulation”, available at <https://punchng.com/senate-passes-bill-strengthening-insurance-regulation/>.

7 Executive Order Signals Coordinated Regulation of Virtual Assets in Nigeria



On 17 July 2026, the President signed the Presidential Executive Order on Virtual Assets Coordination, 2026 (the “Executive Order”) to harmonise the regulation of virtual assets, strengthen inter-agency cooperation, protect the financial system and promote responsible innovation. The Executive Order establishes a Virtual Asset Council, chaired by the Governor of the CBN, with the NRS and the SEC as vice-

chairs, and a Virtual Asset Office domiciled within the CBN to coordinate regulatory activities and information sharing.²³

The Executive Order does not create a new regulator or remove the existing mandates of the SEC, the CBN, the Nigerian Financial Intelligence Unit (“NFIU”) and other relevant agencies. The SEC will regulate virtual assets classified as securities, while the CBN will oversee payment, settlement, custody and other non-security virtual asset activities, with the Council resolving jurisdictional overlaps.

The Executive Order also provides for a CBN regulatory sandbox for testing virtual asset and blockchain solutions and directs the NRS to develop a tax framework for the sector. The Council is to develop a Harmonised Implementation Framework within 30 days, and a comprehensive Virtual Assets White Paper is to set the longer-term policy direction. In furtherance of the Executive Order, the CBN on 11 August 2026 opened applications for the second cohort of its Regulatory Sandbox, with a dedicated VASP track covering stablecoins, payments, settlement, custody and wallets, although participation in the sandbox does not constitute a licence.²⁴

²³ State House, Abuja, “President Tinubu Signs Executive Order on Virtual Assets, Establishes Council to Harmonise Regulation of Digital Economy” (17 July 2026), available at <https://statehouse.gov.ng/president-tinubu-signs-executive-order-on-virtual-assets-establishes-council-to-harmonise-regulation-of-digital-economy/>.

²⁴ Nairametrics, “CBN Opens Second Regulatory Sandbox with Dedicated Track for Crypto Firms”, available at <https://nairametrics.com/2026/08/11/cbn-opens-second-regulatory-sandbox-with-dedicated-track-for-crypto-firms/>.

8

Court Affirms FCCPC's Regulatory Powers over Digital Lending under the DEON Regulations

In a judgment delivered on 20 July 2026 in Suit No. FHC/L/CS/760/2026, instituted by the Wireless Application Service Providers Association of Nigeria Ltd/Gte (“WASPAN”), Justice A.L. Allagoa of the Federal High Court, Lagos, affirmed the regulatory authority of the Federal Competition and Consumer Protection Commission (“FCCPC”) over digital



lending under the Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations 2025 (“DEON Regulations”). The Court dismissed the suit and discharged the interim order that had restrained the implementation and enforcement of the DEON Regulations.²⁵

The DEON Regulations impose registration, disclosure and conduct requirements on digital lenders, with significant penalties for non-compliance. Following the judgment, the FCCPC resumed regulatory oversight, including monitoring lending practices, interest-rate disclosures, data privacy and debt recovery practices. On 21 July 2026, however, WASPAN appealed to the Court of Appeal on nine grounds, contending, among other things, that the Nigerian Communications Commission has exclusive consumer protection responsibility in the telecommunications sector.²⁶

In the absence of a stay of execution, the judgment remains operative pending the appeal. The decision reinforces the need for digital lenders and related technology businesses to review their registration and compliance obligations, particularly in relation to consumer protection, data privacy and debt recovery.²⁷

²⁵ Vanguard, “FCCPC Resumes Digital Lending Regulation as Court Vacates Restraining Order”, available at <https://www.vanguardngr.com/2026/07/fccpc-resumes-digital-lending-regulation-as-court-vacates-restraining-order/>.

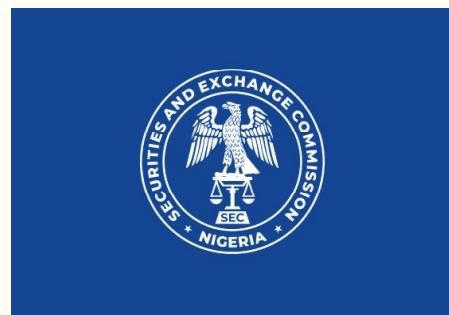
²⁶ Naija News, “Appeal Court Asked to Void FCCPC’s DEON Lending Regulations”, available at <https://www.naijanews.com/2026/07/22/appeal-court-void-fccpcs-deon-lending-regulations/>.

²⁷ FCCPC, “FCCPC Resumes Digital Lending Regulation”, available at <https://fccpc.gov.ng/fccpc-resumes-digital-lending-regulation/>.

9

SEC Directs Countermeasures and Enhanced Due Diligence for FATF High-Risk Jurisdictions

By a circular dated 19 June 2026 and published in August 2026, the SEC directed all Capital Market Regulated Entities (“CMREs”) to implement the Financial Action Task Force (“FATF”) measures applicable to high-risk jurisdictions subject to a call for action and jurisdictions under increased monitoring.²⁸



In respect of North Korea and Iran, CMREs must apply countermeasures, including terminating correspondent relationships with, and refusing to process transactions involving, financial institutions from those jurisdictions. Enhanced due diligence is required for transactions involving Myanmar, while risk-based measures apply to jurisdictions under increased monitoring. CMREs must also subscribe to the Nigeria Sanctions (“NigSac”) Alerts system and promptly report unusual or suspicious transactions to the NFIU.

The directives take immediate effect, and non-compliance may constitute a breach of the Investments and Securities Act 2025 and the SEC AML/CFT Rules, potentially resulting in fines, suspension or revocation of registration. CMREs should update their sanctions screening, onboarding and transaction-monitoring procedures accordingly.²⁹

²⁸ Nairametrics, “SEC Orders Nigerian Capital Market Firms to Cut North Korea, Iran Ties”, available at <https://nairametrics.com/2026/08/15/sec-orders-nigerian-capital-market-firms-to-cut-north-korea-iran-ties/>.

²⁹ Securities and Exchange Commission, “Implementation of FATF Statements on High Risk Jurisdictions Subject to a Call For Action and Jurisdictions Under Increased Monitoring”, available at <https://www.sec.gov.ng/for-investors/keep-track-of-circulars/implementation-of-fatf-statements-on-high-risk-jurisdictions-subject-to-a-call-for-action-and-jurisdictions-under-increased-monitoring>.

10 Nigeria Strengthens Economic Regulation of the Ports Sector

The Nigerian Ports Economic Regulatory Agency Act, 2026 (the “Act”), presidential assent to which was announced on 13 August 2026,³⁰ establishes a new framework for the economic regulation of Nigeria’s ports and transforms the Nigerian Shippers’ Council into the Nigerian Ports Economic Regulatory Agency (the “Agency”).

The Act empowers the Agency to regulate ports, terminals, jetties, inland dry ports, logistics and related services. Its functions include setting standards, regulating tariffs, monitoring concessions, promoting competition and resolving economic disputes. A key reform is the Agency’s power to approve and regulate tariffs, rates and charges. Regulated operators may

also be required to register and obtain certificates before operating, with non-compliance attracting fines, suspension or prohibition.



The Act further strengthens enforcement through investigative powers and sanctions including fines, imprisonment, suspension, blacklisting and revocation. It also provides mechanisms for complaints and appeals and requires coordination with existing maritime regulators such as the Nigerian

Ports Authority (“NPA”) and the Nigerian Maritime Administration and Safety Agency (“NIMASA”).

Overall, the Act represents a shift towards stronger economic regulation, tariff transparency, competition and compliance in Nigeria’s port sector. Its effectiveness will depend on clear implementing regulations, effective enforcement and coordination among relevant regulators. Terminal operators, shipping companies and other port service providers should anticipate registration and tariff-approval requirements once the Agency issues implementing regulations.

³¹

³⁰ Vanguard, “Tinubu Assents Nigerian Ports Economic Regulatory Agency Bill”, available at <https://www.vanguardngr.com/2026/08/tinubu-assents-nigerian-ports-economic-regulatory-agency-bill/>.

³¹ Legal 500, “Transforming Nigeria’s Ports Economy – An Analysis of the Nigerian Ports Economic Regulatory Agency Act, 2026”, available at [https://www.legal500.com/intelligence/nigeria/transport/transforming-nigerias-ports-economy-an-analysis-of-the-nigerian-ports-economic-regulatory-agency-act-2026-\(september-2026\)](https://www.legal500.com/intelligence/nigeria/transport/transforming-nigerias-ports-economy-an-analysis-of-the-nigerian-ports-economic-regulatory-agency-act-2026-(september-2026)).

11 NERC Strengthens Oversight of Nigeria's Transmission System

On 20 July 2026, the Nigerian Electricity Regulatory Commission (“NERC”) issued the Guidelines on the Procedures for Technical Audit of the Transmission System and Network Data Validation, 2026 pursuant to the Electricity Act 2023 and the Nigerian Electricity Supply Industry (NESI) Grid Code.



The Guidelines establish a framework for periodic technical audits and validation of transmission network data by the Nigerian Independent System Operator (“NISO”). NISO is required to engage qualified consultants to audit 330kV and 132kV transmission lines and substations at least every five years, with special audits permitted where significant failures, deterioration or other concerns arise.

The audits will assess the condition and performance of transmission assets, validate network data, identify system constraints and inform maintenance and investment decisions. Transmission Service Providers must provide access to relevant facilities, records and information, while NISO must submit audit reports to NERC. Following each audit, relevant operators are required to update their Performance Improvement Plans and report annually on implementation. NERC may also conduct spot checks and independently validate audit findings.

The Guidelines seek to promote data-driven transmission planning, improved asset management and stronger regulatory oversight. Their effectiveness will ultimately depend on timely implementation of audit recommendations and sustained investment in transmission infrastructure.³²

³² Nigerian Electricity Regulatory Commission, “Guidelines on the Procedures for Technical Audit of the Transmission System and Network Data Validation”, available at <https://nerc.gov.ng/media/guidelines-on-the-procedures-for-technical-audit-of-the-transmission-system-and-network-data-validation/>.

12 National Digital Cloud Policy: Key Implications for Businesses

On 17 August 2026, the Federal Government introduced the National Digital Cloud Policy (the “Policy”), replacing the Nigeria Cloud Computing Policy 2019. The Policy seeks to promote investment in cloud and data infrastructure, develop Nigeria’s digital services ecosystem, modernise public services and strengthen data security.

The Policy establishes a tiered framework covering the general cloud market, public-sector entities and sovereign data. It also provides incentives for qualifying investments, including potential import-duty and tax concessions, regulatory facilitation, foreign-exchange incentives and support for reliable energy access. Cloud providers and data-centre operators seeking these incentives must satisfy requirements relating to infrastructure deployment, registration, interoperability, data protection, cybersecurity and consumer protection. The Policy will be implemented in three phases over 24 months.³³

Of particular importance is the proposed four-level classification of sovereign data, ranging from open data (Level 1), which carries no mandatory residency requirement, to classified data (Level 4), which must be hosted exclusively on Nigerian infrastructure under sovereign control. However, the sovereignty provisions in Part III remain subject to Presidential approval.

Implications for Businesses

Cloud and data-centre operators should assess their eligibility for the available incentives and registration requirements. Regulated entities should also monitor developments concerning the classification and treatment of regulated data. Businesses generally retain the ability to use international cloud services, as the Policy does not impose a blanket data-localisation requirement.

Overall, the Policy signals a shift towards domestic cloud infrastructure, investment facilitation and risk-based data governance. Its practical impact will depend on the implementation guidelines and the final approval and operation of the sovereign-data provisions.³⁴

³⁴ TEMPLARS, “Nigeria’s National Digital Cloud Policy: Key Provisions and Implications for Business”, available at <https://www.templars-law.com/knowledge-centre/nigerias-national-digital-cloud-policy-key-provisions-and-implications-for-business/>

³³ TechAfrica News, “Nigeria Unveils National Digital Cloud Policy to Drive Regional Cloud Hub Ambitions”, available at <https://techafricanews.com/2026/08/19/nigeria-unveils-national-digital-cloud-policy-to-drive-regional-cloud-hub/>.

13 Nigeria Strengthens Tax Regulation of Virtual Assets

On 31 July 2026, the NRS issued the Guidelines on the Taxation of Virtual Assets (the “Guidelines”), published on 3 August 2026, providing an administrative framework for applying existing tax laws to virtual asset transactions in Nigeria.

The Guidelines cover cryptocurrencies, stablecoins, non-fungible tokens (“NFTs”), tokenised assets, decentralised finance (“DeFi”), staking, mining, airdrops and token swaps. Tax may arise from the disposal of virtual assets or income derived from activities such as staking rewards, mining, DeFi and receiving virtual assets as payment. Applicable taxes may include income tax, withholding tax, value added tax and stamp duty.

However, merely holding virtual assets, unrealised appreciation in value, transferring assets between wallets beneficially owned by the same person, staking lock-up arrangements (as distinct from staking rewards), minting NFTs, tokenising assets without a change in ownership and using assets as loan collateral do not, by themselves, constitute taxable events.

The Guidelines also introduce rules for valuation and computation of gains, adopting a US Dollar-referenced methodology under which gains are determined by reference to changes in US Dollar value and then converted into Naira at the applicable official exchange rate. They further establish token-native tax remittance, allowing certain withholding taxes and stamp duties to be remitted in supported virtual assets. VASPs and certain Peer-to-Peer (“P2P”) operators are subject to additional obligations, including taxpayer identification, record-keeping, tax reporting and withholding requirements.

Implications for Businesses

Businesses operating in the virtual asset ecosystem should review their transactions, accounting systems and tax processes to ensure compliance with the new valuation, reporting, withholding and record-keeping requirements. The Guidelines provide greater tax certainty while placing increased compliance responsibilities on both taxpayers and virtual asset intermediaries.³⁵

³⁵ Banwo & Ighodalo, “NRS’ Guidelines on The Taxation Of Virtual Assets: Key Highlights, Implications and Compliance Obligations for Market Participants”, available at <https://www.banwo-ighodalo.com/grey-matter/nrs-guidelines-on-the-taxation-of-virtual-assets-key-highlights-implications-and-compliance-obligations-for-market-participants/>.

14 Nigeria's Foreign Exchange Market: New Requirements for BDCs and Banks

On 15 July 2026, the CBN issued the Guidance on the Purchase of Foreign Exchange by Bureau De Change Operators Through Authorised Dealer Banks, following its circular of 10 February 2026 approving the participation of licensed BDCs in the Nigerian Foreign Exchange Market (“NFEM”) through authorised dealer banks.³⁶

The Guidance requires dealer banks to conduct know-your-customer (“KYC”), customer due diligence and beneficial ownership checks on BDC operators, with enhanced due diligence for higher-risk operators. BDCs must submit FX purchase requests through the CBN’s FX BDC Purchase Tracker portal, which banks must acknowledge within two business hours, and are subject to a weekly purchase limit of US\$150,000 across all authorised dealer banks.

FX purchased by BDCs must be credited directly to their registered foreign exchange settlement accounts, and any unutilised balance must be sold back into the market within 24 hours after the expiry of the utilisation period. Breaches may result in sanctions, including monetary penalties, suspension of access to the NFEM and withdrawal of licences, while complicit banks risk revocation of their authorised dealer status.³⁷

The framework is intended to strengthen transparency and oversight of BDC participation in the formal FX market, while improving liquidity and reducing market abuses.³⁸



³⁶ TheCable, “CBN Launches Digital FX Tracker, Issues Guidelines for BDC Dollar Transactions with Banks”, available at <https://www.thecable.ng/cbn-launches-digital-fx-tracker-issues-guidelines-for-bdc-dollar-transactions-with-from-banks/>.

³⁷ Legit.ng, “CBN Makes Fresh Forex Changes, Announces Weekly Dollar Purchase Cap for BDCs”, available at <https://www.legit.ng/business-economy/money/1719712-cbn-announces-weekly-dollar-limit-bdc-releases-forex-rules/>.

³⁸ Pavestones Legal (via Mondaq), “Nigeria’s Foreign Exchange Market: Recent Regulatory Requirements for BDC Operators and Banks”, available at <https://www.mondaq.com/nigeria/financial-services/1826136/nigerias-foreign-exchange-market-recent-regulatory-requirements-for-bdc-operators-and-banks>.

15

CBN Cuts Monetary Policy Rate to 23%



At its 307th meeting held on 21 and 22 September 2026, the Monetary Policy Committee (“MPC”) of the CBN reduced the Monetary Policy Rate (“MPR”) by 350 basis points, from 26.5% to 23%, and adjusted the asymmetric corridor around the MPR to +50/-300 basis points. The Cash Reserve Requirement was retained at 45% for deposit money banks, 16% for merchant banks and 75% for non-TSA public sector deposits.³⁹ The decision follows the MPC’s decision at its 306th meeting in July 2026 to hold the MPR at 26.5%, and comes against the backdrop of headline inflation of 15.39% in August 2026.⁴⁰

The rate cut signals a decisive shift towards monetary easing and is expected to feed through to lending rates, fixed-income yields and asset valuations. Borrowers should review floating-rate facilities and interest repricing mechanisms, while lenders and investors should reassess pricing assumptions, hedging arrangements and portfolio allocations. However, the retention of high cash reserve requirements is likely to moderate the pace at which lower rates translate into increased credit to the private sector.

³⁹ Central Bank of Nigeria, “Monetary Policy Decisions”, available at <https://www.cbn.gov.ng/MonetaryPolicy/decisions.html>.

⁴⁰ Arise News, “CBN Cuts MPR to 23% from 26.5% as MPC Revises Policy”, available at <https://www.arise.tv/cbn-cuts-mpr-to-23-from-26-5-as-mpc-revises-policy/>.

16 NRS Operationalises Mandatory E-Invoicing for Large Taxpayers

The NRS set 31 July 2026 as the deadline for large taxpayers, being companies with an annual gross turnover of ₦5 billion and above, to comply with the National E-Invoicing and Electronic Fiscal System (“EFS”) regime. Affected taxpayers were required to complete onboarding on the NRS Merchant Buyer Solution platform, integrate their accounting systems through approved

System Integrators or Access Point Providers, complete data validation and testing, and commence live transmission of electronic invoices, while ensuring that business-to-business invoices received carry valid Invoice Reference Numbers.⁴¹



Non-compliance may attract enforcement action and statutory penalties and may affect VAT reconciliations and tax audit clearances. Large taxpayers that have not completed integration should treat it as a priority, and suppliers to large taxpayers should ensure that their own invoicing processes can support the issuance and validation of compliant electronic invoices.

⁴¹ Adeola Oyinlade & Co (via Mondaq), “NRS Commences Compliance Monitoring for Large Taxpayers under the National E-Invoicing & Electronic Fiscal System (EFS) – Deadline: 31 July 2026”, available at <https://www.mondaq.com/nigeria/tax-authorities/1822012/nrs-commences-compliance-monitoring-for-large-taxpayers-under-the-national-e-invoicing-electronic-fiscal-system-efs-deadline-31-july-2026>.

17 Capital Market Infrastructure: T+1 Settlement and FTSE Russell Reclassification



By a circular dated 12 August 2026, the SEC clarified the operation of the T+1 settlement cycle introduced by the Central Securities Clearing System (“CSCS”) in June 2026, fixing 5:00 p.m. on the business day following the trade date as the settlement deadline for equities and commodities transactions on a delivery-versus-payment basis. The SEC also confirmed that foreign

portfolio investors are not subject to mandatory pre-funding, although Capital Market Operators executing their trades must ensure that funds are available by the settlement deadline.⁴²

Following this clarification, FTSE Russell announced on 27 August 2026 that it would proceed with the reclassification of Nigeria from Unclassified to Frontier market status with effect from 21 September 2026, having paused the reclassification in June 2026 pending clarity on pre-funding.⁴³ The reclassification is expected to improve Nigeria’s visibility to index-tracking and other international institutional investors and may support foreign portfolio inflows into the Nigerian market.

⁴² Nairametrics, “SEC Sets 5 p.m. T+1 Deadline for Equities, Commodities Settlement”, available at <https://nairametrics.com/2026/08/13/sec-sets-5-p-m-t1-deadline-for-equities-commodities-settlement/>.

⁴³ Nairametrics, “CSCS Welcomes Nigeria’s Frontier Market Reclassification by FTSE Russell”, available at <https://nairametrics.com/2026/08/27/cscs-welcomes-nigerias-frontier-market-reclassification-by-ftse-russell/>.

18

NUPRC Moves Against Non-Performing Oil Licences



By a circular dated 14 September 2026 (Ref: NUPRC/1127/Vol.13/55), the NUPRC directed holders of petroleum licences awarded under the 2020 Marginal Field Bid Round, the 2022/2023 Mini Bid Round and the 2024 Licensing Round to demonstrate compliance with their work commitments by 31 October 2026. Licensees are required to submit their compliance status, evidence of executed work programmes, constraints affecting progress, and proposed mitigation measures and revised timelines.⁴⁴

Relying on Sections 77, 78, 88, 96 and 97 of the Petroleum Industry Act 2021 (“PIA”), the NUPRC has indicated that it may refuse licence extensions, require the relinquishment of acreage, call in work performance securities or initiate revocation proceedings against defaulting licensees, and that disputes among partners will not excuse non-performance. Affected licensees, their financiers and farm-in partners should urgently review work programme status, security arrangements and joint operating agreements ahead of the deadline.

⁴⁴ Nairametrics, “NUPRC Threatens Revocation of Non-Performing Oil Licences, Sets October 31 Deadline”, available at <https://nairametrics.com/2026/09/19/nuprc-threatens-revocation-of-non-performing-oil-licences-sets-october-31-deadline/>.

19 Court Orders NMDPRA to Continue Issuing Fuel Import Licences

On 28 September 2026, the Federal High Court, Abuja (Coram: Justice Inyang Ekwo), in a suit instituted by Matrix Energy, A.A. Rano Nigeria Limited and AYM Shafa, directed the Nigerian Midstream and Downstream Petroleum Regulatory Authority (“NMDPRA”) to continue to issue, extend, renew or re-issue petroleum product import licences to the plaintiffs, subject to their satisfaction of the applicable statutory requirements. The Court held that the NMDPRA’s refusal to grant or renew the licences amounted to non-compliance with the PIA, and that Sections 31 and 32 of the PIA and Section 72 of the Federal Competition and Consumer Protection Act, 2018 require the regulator to foster competition and prevent the abuse of dominant market positions. The Court nonetheless preserved the NMDPRA’s power to grant, modify, suspend, cancel or terminate licences in accordance with the law.⁴⁵



The judgment is significant for the downstream petroleum sector, particularly in the context of the Dangote Refinery’s growing domestic supply capacity and the continuing debate over import licensing. It reinforces the principle that regulatory discretion must be exercised within the confines of the enabling statute and with due regard to competition considerations. An appeal cannot be ruled out, and market participants should monitor further developments.

⁴⁵ Premium Times, “Court Orders NMDPRA to Continue Issuing Fuel Import Licences to Matrix, AA Rano, AYM Shafa”, available at <https://www.premiumtimesng.com/business/business-news/912999-court-orders-nmdpra-to-continue-issuing-fuel-import-licences-to-matrix-aa-rano-aym-shafa.html>.

Conclusion

Q3 2026 was characterised by increased regulatory scrutiny across both established and emerging sectors, with businesses facing tighter requirements relating to corporate records, capital adequacy, taxation, digital assets, data infrastructure, foreign exchange transactions and sector-specific operations. At the same time, the easing of monetary policy and improvements in capital market infrastructure point to a more supportive environment for investment and capital raising.

For businesses, the key issue is increasingly the speed and extent to which new regulatory requirements must be integrated into existing operations. The CAC's enforcement measures reinforce immediate corporate compliance obligations, while the SEC, CBN and NRS developments require digital asset businesses to review their licensing, capital, reporting and tax processes. The NRS e-invoicing mandate and the NUPRC's license compliance directive similarly impose firm, near-term deadlines, while the National Digital Cloud Policy introduces investment opportunities alongside new data governance and infrastructure considerations.

The developments during the quarter therefore show how regulation is increasingly shaping commercial decisions, including capital raising, market entry, technology deployment, business structuring and ongoing compliance. We will continue to monitor these developments and their implications for our clients.

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