

2023 in Retrospect

Key updates in Laws and Regulations

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Introduction

This publication highlights and provides a summary of the key legislative changes in 2023.

01 Business Facilitation (Miscellaneous Provisions) Act

President Muhammadu Buhari signed the Business Facilitation (Miscellaneous Provisions) Act 2023 ("BFA") into law on 14 February 2023.

The BFA is a legislative intervention of the Presidential Enabling Business Environment Council ("PEBEC"). The BFA codifies the Executive Order 001 and primarily aims to promote the ease of doing business in Nigeria, eliminate bottlenecks and improve transparency and efficiency in Nigeria.

Some of the key changes in the BFA include:

- a. Ministries, Departments and Agencies ("MDAs") of the Federal Government providing products and services must publish the requirements for procuring/processing such products/services on their websites/customer help desk.
- b. all Agencies at Nigerian Ports have been directed to harmonise their operations into one single interface station domiciled in one location at the Port and implemented by a single joint task force at all times.
- c. pre-emptive rights are applicable in private companies only; and replaced 'reasonable time period' with 21 days for exercising pre-emptive rights.
- d. public companies can hold General Meetings virtually. Electronic voting and share certificates are also permitted/recognised.

Please see our article on the Highlights of the Business Facilitation (Miscellaneous Provisions) Act 2022 [here](#).

02 Financial Reporting Council of Nigeria (Amendment) Act 2023

President Muhammadu Buhari signed the Financial Reporting Council of Nigeria (Amendment) Act 2023 (the "Act") into law on 3 May 2023.

The key changes include:

- a. expansion of the definition of Public Interests Entities ("PIEs").
- b. additional reporting obligations on professional accountants.
- c. review/update of sanctions and penalties for non compliance with the Act.
- d. review of annual levies for PIEs and registered professionals.

Please see our article on the Overview of the Financial Reporting Council of Nigeria (Amendment) Act, 2023 [here](#).



03 Nigeria Data Protection Act 2023

President Bola Ahmed Tinubu signed the Nigeria Data Protection Act 2023 (the "Act") into law on 12 June 2023. The Act provides the legal framework for the protection of personal information; and established the Nigeria Data Protection Commission (the "Commission") as an autonomous authority to take on the role of the Nigeria Data Protection Bureau ("NDPB"). The Act:

- a. maintains existing subsidiary legislation issued by the National Information Technology Development Agency and the Nigeria Data Protection Bureau ("NITDA") and NDPB to the degree that all actions taken by either of the foregoing agencies would be considered acts of the Commission.
- b. widens its scope to include processing of personal data related to Nigeria. The Act also applies to Data Controllers who are not domiciled, resident, or working in Nigeria yet process data of Nigerians.
- c. makes it mandatory to obtain the consent of parents and guardians where the Data Subject is a child or minor according to the Child's Right Act.
- d. introduced the concept of Data Controllers and Data Processors (of Major Importance), with an accompanying compliance obligation(s).

Please see our article on the Overview of the Nigeria Data Protection Act 2023 [here](#).



04 Electricity Act 2023

President Bola Ahmed Tinubu signed the Electricity Act 2023 (the “Act”) into law on 9 June 2023. The Electricity Act repealed the Electricity and Power Sector Reform Act 2005 and made key changes in the power sector.

Chief among the changes include:

- a. liberalisation of Nigeria’s power sector at the national level thereby enabling subnationals to grant private investors licences to operate within their States.
- b. establishment of the Power Consumer Assistance Fund for the purpose of subsidising electricity costs of underprivileged power consumers.
- c. establishment of the Nigerian Electricity Management Services Agency which would be responsible for enforcing compliance with statutory technical electrical Standards and Regulations published by the Nigerian Electricity Regulatory Commission and any other regulatory bodies.

05 Corporate Governance Guidelines For Commercial, Merchant, Non-Interest and Payment Service Banks in Nigeria

The Central Bank of Nigeria (“CBN”) issued the Code of Corporate Governance Guidelines (the “Guideline”) with an effective date of 1 August 2023.

Some of the key changes in the Guideline includes:

- a. a minimum and maximum number of directors for Commercial, Merchant and Non-Interest Banks (“CMNIBs”) to be seven and 15 respectively; and seven and 13 respectively for the Board of Payment Service Bank (“PSB”).
- b. restricts board tenure of MD/CEO/EDs/NED of Banks to a maximum of 12 years; and independent Non Executive Directors to eight years.
- c. separation of the functions of the Board Risk Management Committee and the Board Audit Committee.
- d. prescription on cross directorship between Financial Holding Companies and their subsidiaries.

Please see our article on *the Summary of key changes in CBN’s Corporate Governance Guidelines* [here](#).

06 Guidelines on Operations of Bank Accounts for Virtual Assets Service Providers

The CBN issued the Guidelines on operation of bank accounts for Virtual Assets Services Providers (the “VASPs Guidelines”) on 22 December 2023. The VASPs Guidelines provide guidance to financial institutions on their banking relationship with VASPs in Nigeria. Notwithstanding the VASPs Guidelines, banks and financial institutions are still prohibited from holding, trading and transacting in virtual currencies on their own account.

Some of the key provisions of the VASPs Guidelines include:

- a. designated VASP accounts can only be opened with the approval of senior management of the financial institution
- b. designated VASP accounts can only be used for transactions on virtual/digital assets and not for any other purposes.
- c. no cash withdrawal or third party cheque can be cleared from the account.
- d. Financial Institutions must submit returns on designated VASP accounts not later than the 10th day of the following month.

Please see the link to the Guidelines [here](#).

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