



Key Developments in the Corporate Sector

2024

G. ELIAS

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1. Introduction

- 1.1. The year 2024 was another remarkable year which recorded notable corporate regulatory developments and transactions. We have set out in the paragraphs below some notable transactions and legal developments between January 2024 and December 2024.

2. Regulatory & Commercial

Central Bank of Nigeria ("CBN")

- 2.1. **Banks Recapitalization.** On March 28, 2024, the CBN reviewed the minimum capital requirements for commercial, merchant, and non-interest banks in Nigeria. The new minimum capital requirements are as follows¹:

Type of Bank	Authorization	Minimum Capital (₦ Billion)
Commercial	International	500
	National	200
	Regional	50
Merchant	National	50
Non-interest	National	20
	Regional	10

The CBN further stated that for banks to meet the minimum capital requirements, they may consider any of the following options:

- a. injecting fresh equity capital through private placements, rights issue and/or offer for subscription;
 - b. mergers and acquisitions; and/or
 - c. upgrade or downgrade of licence authorization.
- 2.2. **Providus – Unity Bank Merger.** On August 6, 2024, the CBN approved the merger of Unity Bank and Providus Bank. The CBN also approved a financial request of ₦700,000,000,000 (Seven Hundred Billion Naira) to facilitate the recapitalization of the new banking entity. The proposed merger also marks the first bank bailout under the CBN leadership of Yemi Cardoso. The CBN approval of the merger is in furtherance of the apex bank's decision to maintain financial stability and promote confidence in the banking sector.²
- 2.3. **CBN Direction to Stop Cybersecurity Levy.** The CBN directed banks and other financial institutions to stop the implementation of 0.5 percent cybersecurity charges on electronic transactions. This was disclosed in a circular to all commercial, merchant, non-interest, payment service banks, other financial institutions, mobile money operators and payment service providers.³
- 2.5. **Appointment of new executives for Union Bank, Keystone Bank and Polaris Bank.** The CBN on January 10, 2024 appointed new executives to oversee the affairs of the aforementioned banks.⁴ Yetunde Oni was named Managing Director/CEO of Union Bank, with Mannir Ubali

¹ https://www.cbn.gov.ng/Out/2024/CCD/Recapitalization_MARCH_2024.pdf

² <https://www.cbn.gov.ng/Out/2024/CCD/CBN%20Press%20Release%20Merger%20060824%20.pdf>

³ <https://www.cbn.gov.ng/Out/2024/CCD/WITHDRAWAL%20CIRCULAR%20ON%20CYBERSECURITY%20LEVY%2017052024.pdf>

⁴ https://www.cbn.gov.ng/Out/2024/CCD/Press%20Release_New%20CEOs_2.pdf

Ringim as Executive Director. At Keystone Bank, Hassan Imam was appointed Managing Director/CEO, alongside Chioma A. Mang as Executive Director. For Polaris Bank, Lawal Mudathir Omokayode Akintola was appointed Managing Director/ CEO, with Chris Onyeka Ofikulu as Executive Director.

Securities and Exchange Commission ("SEC")

- 2.4. **SEC Calls for Compliance of Public Companies with Sections 60-63 of the Investment and Securities Act (2007).** On February 19, 2024, SEC issued a directive that the directors and external auditors are expected to file their reports on Internal Control over Financial Reporting (ICFR) for the 2023 financial year separately, along with the annual reports and accounts for review on compliance.⁵ This directive takes into account the potential challenges that may arise from the initial adoption of the Commission's guidance on implementing Sections 60- 63 of the Investments and Securities Act, 2007.
- 2.3 **SEC Unveils Framework for the Banking Sector Recapitalization Program.** Further to CBN's review of the minimum capital requirements of banks, SEC, on June 21, 2024 'released a framework for the banking sector recapitalization program which outlines the guidelines and procedures that banks must follow when raising capital through various methods, including right issues, private placements, and other approved options during the 2024-2026 program period. (the "Framework").

The objective of the Framework is to assist banks, holding companies, and market participants in navigating the recapitalization process effectively, ensuring that capital raising efforts are transparent and efficient while safeguarding stakeholders' interests. It provides guidance on filing applications for capital raises, mergers, and acquisitions, ensuring full disclosure of material facts in compliance with the Investments and Securities Act 2007.

- 2.4 **SEC to Introduce New Anti-Money Laundering Regulations for Digital and Virtual Assets Operators.** SEC announced the development of new guidelines aimed at enhancing the licensing, registration, and screening processes for digital and virtual asset service providers (VASPs). SEC emphasized that these guidelines will complement the existing regulatory framework on issuance, offering platforms and custody of digital assets issued in 11 May 2022.⁶ The new guidelines are scheduled to come into effect on June 30, 2025.⁷

Federal Competition and Consumer Protection Commission ("FCCPC")

- 2.5 **FCCPC Consumer Protection Mandate on Electricity Charges.** On April 7, 2024, the FCCPC's CEO Dr. Adamu Abdullahi, commended the enforcement action taken by the Nigerian Electricity Regulatory Commission ("NERC") against the Abuja Electricity Distribution Company ("AEDC") for overbilling customers in Bands B–E, violating the 2024 Supplementary Order to the Multi Year Tariff Order (MTYO) 2024. AEDC must refund affected customers and pay a ₦200 million fine. This action came 48 hours after NERC introduced a new tariff regime for Band A customers. The FCCPC pledged to monitor compliance under its MOU with NERC to ensure consumer protection.⁸
- 2.6 **FCCPC Enforcement in Abuja: Price Violations & Foreign Currency Pricing.** In 2024, the FCCPC intensified its enforcement efforts, targeting exploitative market behaviours and anti-

⁵ <https://sec.gov.ng/re-compliance-of-public-companies-with-sections-60-63-of-the-investments-and-securities-act-2007/>

⁶ <https://nairametrics.com/2024/03/07/sec-to-introduce-new-anti-money-laundering-for-digital-asset-operators/>

⁷ https://digitalpolicyalert.org/change/12378-amendment-to-the-rules-on-issuance-offering-platforms-and-custody-of-digital-assets-to-expand-sec-oversight?utm_source=chatgpt.com

⁸ <https://fccpc.gov.ng/release-fccpc-applauds-nerc-for-fines-demands-actions-to-protect-consumers/>

competitive practices that harm consumers. On April 18, 2024, the FCCPC conducted enforcement operations at two 4U supermarket branches in Abuja, uncovering price discrepancies between the displayed and checkout prices and the sale of weevil-infested rice. The Commission also stated that the management of the supermarket would be required to sign undertakings of compliance while the FCCPC continues market monitoring with stakeholders.

- 2.7 In addition, on April 22nd, 2024, the FCCPC responded to a viral video of a Chinese supermarket (China General Chamber of Commerce, Abuja) selling goods in Yuan and allegedly serving only Chinese customers. Led by Mrs. Boladale Adeyinka, the Commission summoned the owners over discrimination and illegal foreign currency pricing.
- 2.8 **Air Peace Allegations of Predatory Pricing.** Air Peace Airlines has alleged that international airlines are participating in predatory pricing on international routes, specifically the Lagos-London route⁹. In response to this assertion, the House of Representatives ordered the FCCPC to promptly stop the unjust business practices related to predatory pricing by foreign airlines operating within Nigeria¹⁰. Interestingly, however, on December 1, 2024, the FCCPC instituted an inquiry against Air Peace Airlines for allegations of exploitative ticket pricing, including significant price hikes for advance bookings on certain domestic routes¹¹. This inquisition is still ongoing.
- 2.9 **FCCPC Order against Meta Platforms Inc.** After a joint investigation by the FCCPC and Nigerian Data Protection Commission (“NDPC”) for a period of 38 months alleging that the Meta parties have engaged in multiple, repeated as well as continuing infringements of the FCCPA and NDPR in Nigeria, the Commission issued a final order on July 19, 2024, which mandates the Meta parties to comply with the prevailing provisions and imposed monetary penalty of \$220,000,000. (Meta is currently appealing the order).

Corporate Affairs Commission (“CAC”)

- 2.10 **New Guidelines for Recapitalization.** On July 29, 2024, the CAC released new guidelines for the recapitalization of banks and other financial institutions. For new incorporations, applicants must provide a reserved or approved name, sector regulator's approval-in-principle, completed incorporation forms, and payment of stamp duties and filing fees. Certificates of incorporation will be issued within 24 hours for applications that meet all requirements outlined in the CAC's Operations Checklist.

For share capital increases, requirements include a company resolution, return of allotment, director's statutory declaration of full payment, amended memorandum of association, and regulatory approval. Notices and affidavits confirming regulatory requirements must also be filed in compliance with the provisions of CAMA. Certificates of increase will be issued within 24 hours upon filing regulatory approval. For mergers, approvals such as SEC authorization, court orders for meetings, and publication evidence are needed, with annual filings up to date. License upgrades or downgrades require no additional filings¹²

- 2.11 **Point-of-Sale Operators' Mandatory Registration.** The CAC has directed that Point of Sales operators of major fintechs in Nigeria, including Opay, Palmpay and Moniepoint, among others, must have registered their businesses by July 7, 2024. This deadline was further

⁹ <https://businessday.ng/editorial/article/air-peace-takes-flight-a-price-war-erupts-in-the-nigerian-skies/>

¹⁰ https://thenationonline.ng/rep-order-fccpc-to-halt-unfair-business-practices-against-nigerian-companies/#google_vignette

¹¹ <https://fccpc.gov.ng/fccpc-engages-gtbank-mtn-and-air-peace-over-possible-violations/>

¹² <https://www.cac.gov.ng/guidelines-for-recapitalization-of-banks-and-other-financial-institutions/>

extended to September 5, 2024. This is in line with the directives of the CBN and is one of the moves of the regulators to tackle the issue of fraud.

- 2.12 **CAC Plans to Delist Companies.** The CAC issued a notice dated December 30, 2024, informing the general public that it has commenced the delisting and striking off of 100,000 (one hundred thousand) companies that have not complied with its requirement to file annual returns for 10 (ten) consecutive years. The list of the affected companies has also been published on the CAC's website.

Others

- 2.13 **New Code of Corporate Governance for Public and Not-for-Profit Organizations.** The Financial Reporting Council of Nigeria published a draft exposure Nigerian Code of Corporate Governance for Not-For-Profit Organizations and revealed plans to launch a new Code of Corporate Governance for Public Institutions.
- 2.14 **Access Holdings Expands with Acquisitions in Africa.** Access Holdings Plc has strengthened its presence in Africa with key acquisitions. On November 26, 2024, the company announced the completion of its acquisition of Standard Chartered Bank Angola S.A. and Standard Chartered Bank (Sierra Leone) Limited, following Standard Chartered's decision to exit operations in select African and Middle Eastern markets. Earlier, on November 14, 2024, Access Holdings, through its subsidiary Access Bank UK Limited, secured a majority stake in Afrasia Bank Limited, Mauritius' fourth-largest bank by total assets. This acquisition positions Mauritius as a strategic hub for trade finance and cross-border transactions across Africa and beyond. Both transactions were disclosed through corporate filings with the NGX.
- 2.15 **Insurtech Operation Guidelines.** By October 21, 2024, NAICOM revealed its plans to release a draft of the Insurtech Operation Guidelines, a guideline with the primary aim to promote the use of technology in the insurance sector and in the business of underwriters to address and accommodate the demands of the market.
- 2.16 **Top Mergers and Acquisitions in Nigeria.** A significant number of mergers and acquisitions were recorded in 2024 and some of these included:
- 2.16.1 Renaissance Consortium's \$2.4 billion acquisition of Shell Petroleum Development Company;
 - 2.16.2 Seplat's USD800 million acquisition of Mobil Producing Nigeria;
 - 2.16.3 Tolaram's N104 billion acquisition of Diageo's stake in Guinness Nigeria; and
 - 2.16.4 SaroAfrica's takeover of Presco Plc.
 - 2.16.5 Chappal Energies' USD860 million acquisition of Total Energies' Onshore Assets.

3 Legislative

- 3.1 **Investments and Securities Bill, 2024.** On December 4, 2024, the Investments and Securities Bill ("ISB"), 2024 passed the third reading on the floor of the Nigerian Senate. The ISB seeks to repeal the existing Investments and Securities Act, 2007 and introduce a new regulatory framework and market infrastructure for investment and securities businesses in Nigeria, with a particular focus on derivatives, systemic risk management, financial market infrastructure, and the regulation of funding schemes and related platforms.

- 3.2 **Nigeria Insurance Industry Reform Act.** On December 18, 2024, the Senate approved new minimum capital requirements for insurance companies in Nigeria via the Nigeria Insurance Industry Act (“**NIIR**”) which repealed and replaced existing laws in the sector. The NIIR implements a risk-focused regulatory approach while revising capital thresholds for insurance companies. Under the updated requirements, the minimum capital is now set at ₦15 billion for non-life insurance companies, ₦10 billion for life insurance companies, and ₦35 billion for reinsurance companies. These represent a substantial rise from the previous thresholds of ₦3 billion, ₦2 billion, and ₦10 billion, respectively.

4 Case Law

- 4.1 In a decision delivered on July 30, 2024, the Federal High Court (“**FHC**”) in Suit No: FHC/ABJ/CS/665/2023 instituted by Primetech Design and Engineering Nigeria Limited and Julius Berger Nigeria Plc against the CAC held that section 18(2) of the Companies and Allied Matters Act 2020, as amended (“**CAMA 2020**”), which permits private companies to have a single shareholder, is not limited to private companies incorporated after the commencement date of CAMA 2020 but applies to all private companies incorporated under the now repealed CAMA 1990. This decision is currently under appeal.

If you have any questions in relation to this publication, please contact any of the following persons



Fidelis Adewole
Partner
fidelis.adewole@gelias.com



Kuburat Abubakar
Senior Associate
kuburat.abubakar@gelias.com



Eberechukwu Ezike
Associate
eberechukwu.ezike@gelias.com



G. Elias

Lagos Office: 6 Broad Street, Lagos, Nigeria

Abuja Office: 2nd Floor, Abia House, Plot 979, First Avenue, Off Ahmadu Bello Way, Central Business District, Abuja

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