

country profile											
<b>government structure</b>	<ul style="list-style-type: none"> <li>• <b>Executive:</b> The president is the chief of state, head of government, and commander in chief of the armed forces. The president is directly elected by qualified majority popular vote and at least 25% of the votes cast in two-thirds of the 36 states in Nigeria and the Federal Capital Territory. The president is elected for a four-year term and is eligible for a second term. The Federal Executive Council is appointed by the president.</li> <li>• <b>Legislative:</b> Nigeria has a bicameral National Assembly.</li> <li>• <b>Judicial:</b> The highest court is the Supreme Court. The subordinate courts are the Court of Appeal, the Federal High Court, the High Court of the Federal Capital Territory, the High Court of each state of the federation, the Sharia Court of Appeal of the Federal Capital Territory, the Sharia Court of Appeal of each state, the Customary Court of Appeal of the Federal Capital Territory, the Customary Court of Appeal of each state, magistrates' courts, district courts, and area courts.</li> <li>• <b>Next presidential elections:</b> February 2027.</li> </ul>										
<b>economic data</b>	<table border="0"> <tr> <td>• Nominal GDP (USD billions):</td> <td>252.74</td> </tr> <tr> <td>• GDP per capita (USD):</td> <td>1 109.90</td> </tr> <tr> <td>• Inflation rate (% change):</td> <td>26.31</td> </tr> <tr> <td>• Government revenue (% of GDP):</td> <td>12.44</td> </tr> <tr> <td>• Government gross debt (% of GDP):</td> <td>46.59</td> </tr> </table> <p><i>*Source: IMF (September 2024 estimates)</i></p> <ul style="list-style-type: none"> <li>• The Nigerian economy is one of the largest in Africa.</li> <li>• The country has a variety of both renewable and non-renewable resources.</li> <li>• The main industries include crude oil, coal, tin, columbite, rubber products, wood, hides and skins, textiles, cement and other construction materials, food products, footwear, chemicals, fertiliser, printing, ceramics, and steel.</li> <li>• Nigeria's main export partners are Spain, India, France, the United States, and the Netherlands. The main export commodities include crude petroleum, natural gas, fertiliser, refined petroleum, and gold.</li> <li>• Nigeria's main import partners are China, Belgium, the Netherlands, India, and the United States. The main import commodities include refined petroleum, wheat, garments, plastics, and cars.</li> </ul>	• Nominal GDP (USD billions):	252.74	• GDP per capita (USD):	1 109.90	• Inflation rate (% change):	26.31	• Government revenue (% of GDP):	12.44	• Government gross debt (% of GDP):	46.59
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<b>risk ratings</b>	<ul style="list-style-type: none"> <li>• S&amp;P Global Overall Country Risk (Q3 2024): 187/211</li> <li>• Corruption Perceptions Index (2023): 145/180</li> </ul>										

international treaties and memberships	
<b>international and regional organisations and customs unions</b>	<ul style="list-style-type: none"> <li>• African Continental Free Trade Area Agreement</li> <li>• African Development Bank Group</li> <li>• African Union</li> <li>• Commonwealth</li> <li>• Community of Sahel-Saharan States</li> <li>• D-8 Organization for Economic Cooperation</li> <li>• Economic Community of West African States ("ECOWAS")</li> <li>• Group of 15</li> <li>• Group of 24</li> <li>• Group of 77</li> <li>• International Monetary Fund</li> <li>• Islamic Development Bank</li> <li>• Lake Chad Basin Commission</li> <li>• Niger Basin Authority</li> <li>• Organisation of African, Caribbean and Pacific States ("OACPS")</li> <li>• Organisation of Islamic Cooperation</li> <li>• Organization of the Petroleum Exporting Countries</li> <li>• United Nations</li> <li>• World Bank Group</li> <li>• World Customs Organization</li> <li>• Nigeria receives preferential treatment under the following agreements: <a href="http://ptadb.wto.org/Country.aspx?code=566">http://ptadb.wto.org/Country.aspx?code=566</a></li> </ul>
<b>bilateral investment treaties</b>	<ul style="list-style-type: none"> <li>• Nigeria has bilateral investment treaties in force with China, Finland, France, Germany, Italy, the Netherlands, Republic of Korea, Romania, South Africa, Spain, Sweden, Switzerland, Taiwan, and the United Kingdom.</li> <li>• Treaties have been signed with Algeria, Austria, Bulgaria, Canada, Egypt, Ethiopia, Jamaica, Kuwait, Morocco, Russia, Serbia, Singapore, Türkiye, Uganda, and the United Arab Emirates, but these have not yet entered into force.</li> </ul>
<b>investment-related agreements / institutions</b>	<ul style="list-style-type: none"> <li>• African Growth and Opportunity Act</li> <li>• Samoa Agreement (succeeding the Cotonou Agreement and its provisional application commencing on 1 January 2024. The Agreement will enter into force upon consent by the European Parliament and ratification by all European Union member states and at least two thirds of the OACPS members)</li> <li>• Multilateral Investment Guarantee Agency</li> <li>• World Trade Organization</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>• Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention)</li> <li>• Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("ICSID Convention")</li> </ul>

	<ul style="list-style-type: none"> <li>Permanent Court of Arbitration</li> <li>United Nations Commission on International Trade Law (UNCITRAL) Model Law</li> </ul>
<b>intellectual property ("IP") treaties</b>	<ul style="list-style-type: none"> <li>A comprehensive list of IP-related treaties signed by Nigeria is available at: <a href="https://wipolex.wipo.int/en/legislation/members/profile/NG?collection=treaties">https://wipolex.wipo.int/en/legislation/members/profile/NG?collection=treaties</a></li> <li>See the trade marks section below for further detail.</li> </ul>
<b>legal regime</b>	
<b>applicable legal regime</b>	<ul style="list-style-type: none"> <li>Nigeria's legal system is based on English common law, Islamic law (in 12 northern states), and customary law.</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>Commercial disputes are handled by the High Courts while appeals are referred to the Court of Appeal and finally to the Supreme Court.</li> <li>A separate system of courts exists for Sharia law.</li> <li>The National Industrial Court deals with employment, trade and labour disputes and a number of tribunals exist.</li> <li>Nigeria is a signatory of the ICSID Convention and the ICSID (Enforcement of Awards) Act provides that the judgments of the International Centre for Settlement of Investment Disputes are enforceable in Nigeria.</li> <li>The Tax Appeal Tribunal hears tax disputes between taxpayers and tax authorities.</li> <li>Several states in Nigeria, such as Lagos and Edo, have established Multi-Door Courthouses, which have become very useful mechanisms that aid in the speedy resolution of disputes outside the regular court system.</li> <li>There are specialised alternative dispute resolution ("ADR") centres dedicated to specialised industries, such as the Midstream and Downstream Petroleum ADR Centre in the energy sector.</li> <li>The Trademark Tribunal hears trademark disputes.</li> </ul>
<b>land acquisition, planning and use</b>	<ul style="list-style-type: none"> <li>Generally, foreign companies may acquire land and buildings in any state in Nigeria. However, some states impose conditions.</li> <li>In terms of the Land Use Act, all land within each state of the federation is vested in the state governor, and in respect of:             <ul style="list-style-type: none"> <li>urban lands, companies and individuals can seek a lease (for up to 99 years), otherwise known as statutory rights of occupancy, from the relevant state government; and</li> <li>non-urban lands, local governments are authorised to grant customary rights of occupancy.</li> </ul> </li> <li>Foreigners can acquire an interest in land by setting up a Nigerian company to acquire and hold the interest in the land.</li> </ul>

<b>competition</b>	
<i>merger control</i>	<ul style="list-style-type: none"> <li>The Federal Competition and Consumer Protection Act, 2018 (the "<b>Competition Act</b>") governs competition law and regulates merger control in Nigeria.</li> <li>According to the Competition Act, a merger occurs when one or more undertakings directly or indirectly acquire or establish direct or indirect control over the whole or part of the business of another undertaking. A merger may be achieved in a number of ways, including through the purchase or lease of shares, an interest, or assets; an amalgamation or other combination; or a joint venture.</li> <li>The Competition Act sets out examples of what constitutes control for the purposes of merger regulation.</li> <li>A merger is notifiable in Nigeria to the Federal Competition and Consumer Protection Commission (the "<b>FCCPC</b>") if, in the financial year preceding the merger (i) the merging parties' combined annual turnover in, into, or from Nigeria equals or exceeds NGN1-billion; or (ii) the annual turnover of the target undertaking in, into, or from Nigeria equals or exceeds NGN500-million.</li> <li>The filing fees payable in Nigeria are calculated with reference to the higher of the purchase consideration or the last combined annual turnover of the merging parties in Nigeria and comprise the sum of 0.45% of the first NGN500-million, 0.4% of the next NGN500-million and 0.35% of any sum thereafter. All merger applications shall be subject to the payment of an application fee of NGN50 000 per undertaking. The applicable fee for an expedited procedure is NGN10-million and for the negative clearance procedure is NGN2.5-million.</li> <li>Nigeria is a pre-implementation regime; therefore, approval must be sought from the FCCPC in respect of notifiable transactions prior to the implementation thereof.</li> <li>Implementation of a notifiable merger without the prior approval of the FCCPC may attract a fine not exceeding 10% of turnover of the undertaking in the business year preceding the date of the commission of the offence; or a fine at such other percentage as determined by a court having regard to the circumstances of the case.</li> <li>Mergers, acquisitions, combinations, or other affected transactions between or among companies, involving the acquisition of shares, assets, business, or subsidiaries of a public company are also governed by the Investment and Securities Act, 2007 and the Securities and Exchange Commission Rules and Regulations, 2013 (the "<b>SEC Regulations</b>"). If a private company is to be merged with or acquired by a public company, the public company still has a duty to obtain the "No Objection" approval of the Securities and Exchange Commission (the "<b>SEC</b>").</li> <li>In its assessment of a merger the FCCPC will consider the anti-competitive effects that the transaction could have in the market, and if it appears that the merger is likely to substantially prevent or lessen</li> </ul>

	<p>competition, the FCCPC will then examine resultant efficiencies and public interest considerations. The review and approval of mergers by the SEC, on the other hand, is subject to the SEC being satisfied that all shareholders are fairly, equitably, and similarly treated and given sufficient information regarding the merger.</p> <ul style="list-style-type: none"> <li>• There are also sector-specific laws applicable to target companies operating in certain industries, which require that the prior approval of the sector regulator be obtained where there is a merger / acquisition that meets the requirements contained in the applicable legislation.</li> <li>• Nigeria is a member of the regional competition body, ECOWAS which has an operational merger control regime. Merger activities in Nigeria should thus be conducted with this regional competition body in mind.</li> </ul>
<i>prohibited practices</i>	<ul style="list-style-type: none"> <li>• The Competition Act prohibits horizontal and vertical agreements among undertakings or decisions of an association of undertakings that have the purpose or effect (actual or likely) of preventing, restricting, or distorting competition in any market.</li> <li>• The Competition Act specifically prohibits price-fixing, market allocation, conspiracy, tying / bundling, bid-rigging / collusion, and minimum resale price maintenance.</li> <li>• In certain instances, the entry into certain restrictive agreements may be authorised by the FCCPC if it is satisfied that the agreements / decisions are fair and do not eliminate competition.</li> <li>• The Competition Act also prohibits various abuses of dominance.</li> <li>• The Competition Act provides for the regulation of monopolies. In this regard, where it appears to the FCCPC that there are grounds for believing that a monopoly situation may exist, the FCCPC will investigate the particular sector or particular type of agreement across various sectors, so as to determine the extent of the situation in relation to the market.</li> <li>• Parties involved in prohibited practices are liable to financial penalties. For instance, undertakings involved in abuse of dominance, restrictive agreements, or cartel activities may incur penalties of up to 10% of the undertaking's turnover in the preceding business year or such higher percentage as the court may determine under the circumstances of the particular case. The Competition Act also criminalises cartel conduct and resale price maintenance. It provides for the liability on the part of directors to imprisonment for a period of up to three years or for a fine of up to NGN10-million or both.</li> <li>• ECOWAS regulates anti-competitive practices. Activities in Nigeria should thus be conducted with this regional competition body in mind.</li> </ul>
<b>employment</b>	
<i>immigration</i>	<ul style="list-style-type: none"> <li>• An employer must obtain an 'expatriate quota', i.e., permission to employ an allocated number of expatriates. Once granted, the expatriate will then apply for a Subject to Regularisation ("STR") Visa which will be issued by the Nigerian Embassy or High Commission abroad. Once in</li> </ul>

	<p>Nigeria, the expatriate must apply for a combined expatriate residence permit and alien card (CERPAC).</p> <ul style="list-style-type: none"> <li>• Temporary work permits are used for short-term assignments in Nigeria and are typically valid for three or six months, depending on the type of permit obtained.</li> </ul>
<i>local employment vs secondment</i>	<ul style="list-style-type: none"> <li>• In terms of Nigeria's employment legislation, an employee may be seconded to Nigeria, as it is not a legal requirement for local or foreign employees to be employed by a local entity.</li> <li>• However, in terms of Nigeria's immigration legislation, employment by a local company is a prerequisite for a STR Visa. A temporary work permit may be obtained by expatriates to provide specialised skilled services.</li> </ul>
<i>fixed-term contracts and temporary employment services</i>	<ul style="list-style-type: none"> <li>• Fixed-term contracts are allowed in terms of the Labour Act.</li> <li>• An employer must, not later than three months after the commencement of an employee's employment, provide the employee with a written employment contract specifying, among others, the date on which the contract expires.</li> <li>• The use of labour brokers is permitted in Nigeria.</li> </ul>
<i>payment in local currency</i>	<ul style="list-style-type: none"> <li>• Remuneration may be paid in any currency agreed by the parties.</li> </ul>
<i>restraint of trade agreements</i>	<ul style="list-style-type: none"> <li>• Restraint of trade agreements are generally not enforceable in Nigeria. However, the courts will have regard to the reasonableness of the agreement in determining whether to enforce it. Some factors that can influence the court are the geographical scope of the agreement and its duration, the employee's right to work, whether the restraint is confined to the employee's area of specialisation, the employer's desires to protect its business interests, and public interest.</li> </ul>
<b>foreign investment regime</b>	
<b>investment regime</b>	<ul style="list-style-type: none"> <li>• The Nigerian Investment Promotion Commission Act, 2004 (the "NIPC Act") governs foreign investment in Nigeria. The Nigerian Investment Promotion Commission ("NIPC") has been established as a one-stop centre to facilitate the registration of companies with foreign equity participation, and to promote, encourage, and coordinate investments in the Nigerian economy.</li> </ul>
<b>registration / licensing requirements</b>	<ul style="list-style-type: none"> <li>• All Nigerian companies with foreign equity participation must register with the NIPC and obtain a certificate of business registration before carrying on business in Nigeria.</li> <li>• In terms of the NIPC Act, a non-Nigerian investor is restricted from investing and participating in certain specified industries and activities.</li> </ul>
<b>non-industry specific registrations / licences</b>	<ul style="list-style-type: none"> <li>• The following general non-industry specific registrations / licences may be required:</li> </ul>

<i>Federal Ministry of the Interior</i>	<ul style="list-style-type: none"> <li>A business permit must be obtained before commencing business in Nigeria. In terms of the Immigration Act, a non-citizen of Nigeria shall not establish a business or register a company without the consent of the Federal Ministry of the Interior. In practice, the consent is obtained by the company, after its incorporation, in the form of a business permit issued by the Federal Ministry of the Interior.</li> <li>An investor must apply for an expatriate quota, granting an allocated number of work permits depending on the nature and size of business, if non-Nigerians are to be employed by the company.</li> </ul>
<i>Federal Inland Revenue Service ("FIRS")</i>	<ul style="list-style-type: none"> <li>All taxpayers are required to register with FIRS for purposes of corporate income tax and VAT, as well as with the Internal Revenue Service in each of the states where the company has staff, for purposes of employee taxes.</li> <li>The FIRS has synchronised the process of obtaining a tax identification number ("<b>TIN</b>") with incorporation, such that a TIN is automatically generated upon incorporation.</li> </ul>
<i>pension fund administrator</i>	<ul style="list-style-type: none"> <li>In terms of the Pension Reform Act, 2014 private sector employers with three or more employees must make pension contributions for the benefit of their employees to an approved pension manager. Private sector employers with less than three employees are required to participate in the scheme in accordance with the Guidelines for Micro Pension Plan, 2018.</li> <li>An employee must notify his/her employer of the pension fund administrator chosen and the identity of the retirement savings account opened for the receipt of relevant pension contributions.</li> <li>Companies are also required to maintain a group life insurance policy for the benefit of their employees.</li> </ul>
<i>Management Board of the Nigeria Social Insurance Trust Fund ("NSITF")</i>	<ul style="list-style-type: none"> <li>In terms of the Employees Compensation Act, 2010 all employers are required to register for the Employees' Compensation Scheme administered by the NSITF, which provides for the compensation of employees in the event of injury, disability, or death.</li> </ul>
<i>Industrial Training Fund ("ITF")</i>	<ul style="list-style-type: none"> <li>In terms of the Industrial Training Fund Act, 2004, employers with five or more employees, or a turnover of at least NGN50-million are liable to make contributions under the ITF.</li> <li>Although there is no specific legal requirement for registration under the ITF Act, in practice, employers should register in order to file requisite returns and make payments to the ITF.</li> </ul>
<i>National Housing Fund ("NHF")</i>	<ul style="list-style-type: none"> <li>The National Housing Fund Act establishes the NHF to which every employee in the public sector earning at least the minimum wage is required to contribute 2.5% of their monthly income through deductions by their employers. This requirement is not compulsory for employees in the private sector. Although there is no specific legal requirement for</li> </ul>

	registration under this Act, in practice, employers should register in order to make payments to the NHF.
<i>State Health Insurance Scheme</i>	<ul style="list-style-type: none"> <li>An employer who has a minimum of five employees may, together with employees, pay contributions under the State Health Insurance Scheme.</li> </ul>
<i>municipal licence</i>	<ul style="list-style-type: none"> <li>A company's premises is to be registered with the relevant state government and a business premises levy paid to the State Inland Revenue Service.</li> </ul>
<i>National Office for Technology Acquisition and Promotion ("NOTAP")</i>	<ul style="list-style-type: none"> <li>Approval from and registration with NOTAP is required for any cross-border contract or agreement in respect of the use of foreign technology, intellectual property, the supply of technical expertise, machinery and plant, operating staff or managerial assistance, and the training of personnel.</li> <li>NOTAP imposes specified limits on the amounts that may be paid in terms of registered agreements.</li> <li>NOTAP registration certificates are required to remit foreign exchange payments through official channels to beneficiaries outside Nigeria.</li> </ul>
<b>industry-specific licences</b>	<ul style="list-style-type: none"> <li>Industry-specific licences may also be required.</li> </ul>
<b>incentives</b>	<ul style="list-style-type: none"> <li>Incentives include: <ul style="list-style-type: none"> <li>a three-year tax holiday (with a possible two-year extension) and other incentives available to pioneer companies investing in specified areas of the economy for the production of specified goods or services considered to be of short supply or which have the potential for further development;</li> <li>a 30% investment tax credit to offset the tax payable on any gains on investment earned by investors in companies designated as "labelled startups" by the National Information Technology Development Agency;</li> <li>a three-year tax holiday and other incentives available to new companies engaged in the mining of solid minerals and companies engaged in the utilisation of natural gas (downstream operations) for commercial purposes;</li> <li>a tax exemption on specified interest on loans granted to companies engaged in the primary agricultural sector, for the fabrication of local plant and machinery, or for providing working capital for any cottage industry; and</li> <li>various incentives available to companies engaged in exportation, manufacturing, tourism, research and development, road infrastructure development and refurbishment, agricultural production, and the oil and gas industry.</li> </ul> </li> </ul>
<b>exchange control regulation</b>	<ul style="list-style-type: none"> <li>Nigeria applies strict exchange control rules in terms of the Foreign Exchange (Monitoring and Miscellaneous Provisions) Act.</li> </ul>



	<ul style="list-style-type: none"> <li>In theory, all eligible foreign exchange transactions supported by appropriate documentation qualify for purchase and remittance of foreign exchange through an “Authorised Dealer” – usually any of the commercial banks in Nigeria, with the exception of those included in the extensive list of items “Not Valid for Foreign Exchange” as per the Central Bank of Nigeria Circular No. TED/FEM/FPC/GEN/01/010 of June 2015.</li> <li>A certificate of capital importation must be obtained promptly from a commercial bank as statutory evidence of capital importation, which is a prerequisite for the repatriation of dividends, interest, profits, and capital in the event of dissolution of a company.</li> </ul>
<b>types of entities available for foreign investment</b>	<ul style="list-style-type: none"> <li>Where a foreign company wishes to carry on business in Nigeria, it must set up a separate legal entity. These include: <ul style="list-style-type: none"> <li>private limited liability company;</li> <li>public company (joint-stock company);</li> <li>company limited by guarantee;</li> <li>limited partnership;</li> <li>limited liability partnership; and</li> <li>private unlimited company.</li> </ul> </li> <li>The concept of a registered branch of a foreign company does not exist under Nigerian law.</li> </ul>
<b>private limited liability company</b>	
<b>minimum number of shareholders</b>	<ul style="list-style-type: none"> <li>A minimum of one shareholder is required and the maximum allowed is 50, not including persons who are in the employment of the company.</li> <li>There is generally no requirement for local shareholding, but it may be required in specified industries, such as the oil and gas industry.</li> </ul>
<b>minimum share capital</b>	<ul style="list-style-type: none"> <li>The minimum statutory share capital for a private company is generally NGN100 000. However, the minimum paid-up share capital for Nigerian companies with foreign participation is NGN100-million. Various specified sectors also have requisite share capital thresholds.</li> </ul>
<b>directors</b>	<ul style="list-style-type: none"> <li>A private company must have at least one director, provided it is not a small company as defined. Nigerian companies with foreign participation do not qualify as small companies.</li> <li>There is no requirement to have any resident directors.</li> </ul>
<b>company secretary</b>	<ul style="list-style-type: none"> <li>Every company, except small companies, must appoint a company secretary (an individual, a firm, or a corporate body). No specific requirements exist regarding the residency of the company secretary, but for administrative convenience, it is advisable that the company secretary is resident in Nigeria.</li> </ul>
<b>auditor</b>	<ul style="list-style-type: none"> <li>A private company must appoint an auditor.</li> </ul>

<b>registered address</b>	<ul style="list-style-type: none"> <li>Every company must have a registered office address which should be a location in Nigeria to which all communications and notices may be addressed. The company’s head office address may be different from its registered office address.</li> <li>A company may use the offices of the company’s accountants, lawyers or a third party as registered address.</li> </ul>
<b>shelf companies</b>	<ul style="list-style-type: none"> <li>Shelf companies are available for purchase in Nigeria.</li> </ul>
<b>registration process</b>	<ul style="list-style-type: none"> <li>Companies are registered with the Corporate Affairs Commission, and it takes approximately two weeks to complete registration once all the required documents have been submitted.</li> </ul>
<b>tax</b>	
<b>tax system</b>	<ul style="list-style-type: none"> <li>Nigeria has a residence-based tax system in terms of which residents are subject to tax on their world-wide income, whereas non-residents are subject to tax only on their Nigerian-sourced income.</li> </ul>
<b>corporate residence</b>	<ul style="list-style-type: none"> <li>The Companies Income Tax Act does not define “residence” but distinguishes between a Nigerian and a foreign company. A Nigerian company is one incorporated in Nigeria under domestic law.</li> </ul>
<b>corporate tax rate</b>	<ul style="list-style-type: none"> <li>Resident companies with turnover exceeding NGN100-million and foreign companies with a permanent establishment or with a “significant economic presence” in respect of digital platform-based transactions with Nigerian residents are subject to corporate income tax at the rate of 30%.</li> <li>Small companies with turnover not exceeding NGN25-million are exempt from tax, whereas medium-sized companies with a turnover of between NGN25-million and NGN100-million are subject to tax at the rate of 20%.</li> <li>Petroleum profits tax is levied on the income of companies engaged in upstream petroleum operations in lieu of corporate income tax at rates of between 50% and 85%, depending on the nature of the company’s operations.</li> <li>Following the enactment of the Petroleum Industry Act, 2021, holders of a petroleum prospecting licence and petroleum mining lease will be subject to both corporate income tax at the rate of 30% and hydrocarbon tax at the rate of 30% or 15%. Current licence holders will continue to be taxed under the Petroleum Profits Tax Act, 2004 until expiry of their licences.</li> <li>All companies incorporated in Nigeria are required to pay 3% of their assessable profit as tertiary education tax (TET).</li> <li>A minimum tax, levied at the rate of 0.5% of gross turnover less franked investment income, is levied on a company that has made a loss, having no taxable profits for the year or where the tax on profits is below the minimum tax.</li> </ul>



<b>capital gains tax ("CGT")</b>	<ul style="list-style-type: none"> <li>Chargeable capital gains arising on the disposal of assets are generally subject to CGT at the rate of 10%.</li> <li>Gains arising from the disposal of shares in a Nigerian company for an aggregate sum of NGN100-million or more in any 12 consecutive months is subject to CGT at 10%. However, if the proceeds are utilised to acquire shares in the same or other Nigerian companies in the year of disposal of the shares, CGT is not payable.</li> </ul>																				
<b>withholding tax ("WHT") rates</b>	<table border="1"> <thead> <tr> <th rowspan="2">payment to</th> <th colspan="2">WHT rate</th> </tr> <tr> <th>residents</th> <th>non-residents*</th> </tr> </thead> <tbody> <tr> <td>branch profits</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>dividends</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>interest</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>royalties</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>management, consulting, and technical service fees</td> <td>5%</td> <td>10%</td> </tr> </tbody> </table> <p>* The withholding tax rate may be reduced in terms of a relevant double tax agreement.</p>	payment to	WHT rate		residents	non-residents*	branch profits	N/A	N/A	dividends	10%	10%	interest	10%	10%	royalties	10%	10%	management, consulting, and technical service fees	5%	10%
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management, consulting, and technical service fees	5%	10%																			
<b>double tax agreements ("DTAs")</b>	<ul style="list-style-type: none"> <li>DTAs are in force with Belgium, Canada, China, Czechia, ECOWAS member states (including Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Senegal, Sierra Leone, and Togo), France, Italy, the Netherlands, Pakistan, the Philippines, Romania, Singapore, Slovak Republic, South Africa, Spain, Sweden, and the United Kingdom.</li> </ul>																				
<b>losses</b>	<ul style="list-style-type: none"> <li>Ordinary losses incurred in business may be carried forward indefinitely.</li> </ul>																				
<b>transfer pricing</b>	<ul style="list-style-type: none"> <li>In terms of Nigeria's transfer pricing rules, transactions between connected persons must be entered into on an arm's length basis.</li> <li>A company is connected to a person where, <i>inter alia</i>, one enterprise participates directly or indirectly in the management, control, or capital of the other, or the same person or persons participate(s) directly or indirectly in the management, control, or in the capital of both enterprises.</li> </ul>																				
<b>limitation on interest deductibility</b>	<ul style="list-style-type: none"> <li>The deductible interest expense on loans by foreign connected persons is limited to 30% of earnings before interest, tax, depreciation, and amortisation (EBITDA). Any excess deduction may be carried forward for a maximum of five years.</li> <li>The restrictions are not applicable to a Nigerian subsidiary of a foreign company engaged in banking or insurance business.</li> </ul>																				

<b>employee taxes</b>	<ul style="list-style-type: none"> <li>Employees are allowed a consolidated relief allowance of 20% of gross income plus either NGN200 000 or 1% of gross income, whichever is higher. The balance of the income after the relief is taxed in accordance with the graduated tax scale rates set out below:</li> </ul> <table border="1"> <thead> <tr> <th>chargeable income (NGN)</th> <th>tax rate</th> </tr> </thead> <tbody> <tr> <td>0 – 300 000</td> <td>7%</td> </tr> <tr> <td>300 001 – 600 000</td> <td>11%</td> </tr> <tr> <td>600 001 – 1 100 000</td> <td>15%</td> </tr> <tr> <td>1 100 001 – 1 500 000</td> <td>19%</td> </tr> <tr> <td>1 500 001 – 3 200 000</td> <td>21%</td> </tr> <tr> <td>above 3 200 000</td> <td>24%</td> </tr> </tbody> </table>	chargeable income (NGN)	tax rate	0 – 300 000	7%	300 001 – 600 000	11%	600 001 – 1 100 000	15%	1 100 001 – 1 500 000	19%	1 500 001 – 3 200 000	21%	above 3 200 000	24%
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<b>social security contributions</b>	<ul style="list-style-type: none"> <li>Both employers and employees must make monthly contributions to an employee's retirement savings account at a selected pension fund administrator.</li> <li>The minimum employer contribution rate is 10% of the employee's monthly emoluments, whereas the minimum employee contribution rate is 8%.</li> <li>An employer who employs at least five employees may, together with his employees, make contributions to the relevant State Health Insurance Scheme Fund at a rate to be determined from time to time under the State Health Insurance Scheme.</li> </ul>														
<b>payroll tax</b>	<ul style="list-style-type: none"> <li>An ITF levy of 1% of annual payroll is payable by employers if they: <ul style="list-style-type: none"> <li>have five or more employees or an annual turnover of at least NGN50-million;</li> <li>bid for or solicit contracts, businesses, goods, and services from public and private establishments;</li> <li>require approval for an expatriate quota; or</li> <li>utilise customs services for import and export.</li> </ul> </li> <li>Employers are also required to contribute 1% of the total monthly payroll to the NSITF for purposes of the Employee's Compensation Scheme, which compensates employees or their dependants in the event of injury, disability, or death.</li> </ul>														
<b>stamp duty</b>	<ul style="list-style-type: none"> <li>Stamp duty is levied under the Stamp Duties Act, 2004 either at fixed rates or <i>ad valorem</i> on most instruments, including agreements, awards, bonds, leases, receipts, e-commerce, and cross-border transactions.</li> <li>No stamp duty is levied on the transfer of shares or stocks, but stamp duty is levied on incorporation or an increase in share capital.</li> <li>Stamp duty is payable on instruments for the transfer of an immovable property. Also, state governments charge up to 6% of consideration to register an interest in land and buildings.</li> </ul>														

<b>value added tax ("VAT")</b>	
<i>taxable supplies</i>	<ul style="list-style-type: none"> <li>VAT is levied on the supply of goods and services in Nigeria and on the importation of goods and services.</li> </ul>
<i>VAT rate</i>	<ul style="list-style-type: none"> <li>7.5%</li> </ul>
<i>registration threshold</i>	<ul style="list-style-type: none"> <li>Any person who carries on an economic activity or exploits tangible or intangible property by way of trade or business (irrespective of the amount of annual turnover) must register for VAT purposes upon commencement of business.</li> <li>A taxable person who makes or expects to make taxable supplies with a cumulative value of less than NGN25-million in any calendar year is exempt from the obligation to charge, collect, and remit VAT.</li> </ul>
<i>reverse VAT on imported services</i>	<ul style="list-style-type: none"> <li>Imported services are liable to VAT and a non-resident company that carries on business in Nigeria is required to register for VAT, and issue VAT invoices to its Nigerian customers. Where the non-resident company does not include VAT on its invoice, the Nigerian company is expected to account for output VAT in terms of a reverse-charge mechanism.</li> <li>Such VAT is not available as an input.</li> </ul>
<b>trade marks</b>	
<b>international conventions, treaties, and arrangements</b>	<ul style="list-style-type: none"> <li>World Intellectual Property Organization Convention</li> <li>Paris Convention</li> <li>World Trade Organization / Trade-Related Aspects of Intellectual Property Rights (TRIPS)</li> </ul>
<b>first-to-file jurisdiction</b>	<ul style="list-style-type: none"> <li>Yes. The first person or entity that applies for a trade mark will obtain registration and may prevent others from using it. This person or entity will have the rights thereto, regardless of whether another has built a reputation using the mark in that country without trade mark registration.</li> </ul>
<b>classification</b>	<ul style="list-style-type: none"> <li>The International Classification of Goods and Services (Nice Classification) applies.</li> <li>A separate application is required for each class.</li> </ul>
<b>categories of trade marks</b>	<ul style="list-style-type: none"> <li>Provision is made for: <ul style="list-style-type: none"> <li>ordinary trade marks (for goods and services); and</li> <li>certification marks.</li> </ul> </li> </ul>
<b>filing requirements</b>	<ul style="list-style-type: none"> <li>Name, address, and nationality of the applicant;</li> <li>a representation of the trade mark or device mark;</li> <li>class of goods / services in which it is to be registered;</li> <li>specification of goods / services in the class;</li> <li>power of attorney / authorisation of agent (simply signed); and</li> <li>payment of official fees.</li> </ul>

	<ul style="list-style-type: none"> <li>Although Nigeria is a signatory to the Paris Convention, the required Paris Convention country Order concerning trade marks has not yet been published by the Minister in the Government Gazette. As such, although the Registry does in practice accept priority applications, there is no legal basis for the enforcement of a priority claim.</li> </ul>
<b>procedure</b>	<ul style="list-style-type: none"> <li>Upon receipt of the application, officials verify that the necessary fees are paid, and an acknowledgment letter is issued in respect of the application.</li> <li>The application is examined by the Registrar as to formalities, inherent registrability and conflict with prior existing registrations / applications.</li> <li>The application may be accepted (at which point the Registry will issue an acceptance letter), conditionally accepted (stating the condition for acceptance), or provisionally refused, with the relevant notice being issued. If an application is refused, the Registrar will state the grounds for refusal.</li> <li>Accepted applications are published in the Trade Marks Journal.</li> </ul>
<b>oppositions and non-use cancellations</b>	<ul style="list-style-type: none"> <li>An opposition may be lodged within two months from the date of any advertisement in the Trade Marks Journal, stating the grounds of opposition. This period cannot be extended.</li> <li>A registered trade mark may be cancelled on action by an interested party if it has not been used for a continuous period of five years after the date of registration.</li> </ul>
<b>duration and renewal</b>	<ul style="list-style-type: none"> <li>Registered trade marks are valid for an initial period of seven years from the date of the application for registration and can be subsequently renewed every 14 years.</li> </ul>

ENS is a full-service law firm with significant experience and specialist expertise that spans all commercial areas of law, tax, forensics, and IP across Africa. For more information or assistance please contact:

**Celia Becker**  
Executive | Africa regulatory and business intelligence  
cbecker@ENSafrica.com

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