



Trade & Investment

June 26th 2018



[A Review of the NIPC's Online Investment Guide "iGuide" - Key Features¹](#)

1. INTRODUCTION

In the last few years, the Nigerian government has shown its determination towards creating a conducive and enabling environment for investors coming into the country. Presently, the government is focused on enhancing the ease of doing business in Nigeria with various initiatives being established to achieve this. In May 2018, the Nigerian Investment Promotion Commission ("NIPC"), ably supported by the United Nations Economic Commission for Africa ("UNECA") and the United Nations Conference on Trade and Development ("UNCTAD"), launched an online investment guide called "iGuide Nigeria" to aid investors with the substantive and procedural requirements for investing in Nigeria.

The iGuide is an online platform² which aims to provide investors/potential investors with up to-date and relevant information on investment opportunities, processes, procedures, laws and costs of doing business in Nigeria. This platform will enable

¹ **Ibidolapo Bolu, Associate, Corporate Finance & Capital Markets, S.P.A. Ajibade & Co., and Oluwasolape Owoyemi, Associate, Intellectual Property department.**

² The iGuide Platform available at <http://www.theiguides.org/public-docs/guides/nigeria>

investors gain access to the basic information they need to make better informed decisions on conducting business in Nigeria.

The guide provides key information on Starting a Business; on Labour, Production Factors, Land, Taxes, Investor Rights, Growth Sectors and Opportunities. It serves as a key marketing tool, with information on Nigeria's investment processes and procedures outlined on a single platform for easy access.

The key areas addressed on the iGuide platform are highlighted below:

1.1 **Starting a Business**

The Platform covers all the stages of doing business in Nigeria, starting from the formation of a business or company to the list of relevant agencies and the documentation involved at every stage. It also lists the various types of businesses listed under the Companies and Allied Matters Act (CAMA)³ and the necessary documentation and procedures required for registering various types of business entities. For foreign investors, this simplifies the entire process as it provides the relevant fees and the expected time frame which leaves little or no room for extortion or fraud. The list of agencies includes the Corporate Affairs Commission (“CAC”), the Nigerian Investment and Promotion Commission (“NIPC”), the Federal Inland Revenue Service (“FIRS”), the One-Stop Investment Centre (OSIC) which currently has twenty – seven (27) participating agencies, National Environmental Standards Regulatory and Enforcement Agency (“NESREA”), amongst others.

1.2 **Employment/Labour**

This section of the guide outlines a summary of what is required of employers of labour in the Nigerian market. It provides useful data on the Nigerian population, education requirements, skills, employment, wages, and work permits. Also included in this section, are details on social security and other contributions which explain the minimum contribution that employers and employees are required to make to the Pension Fund Administrator. Furthermore, the section gives directions on the Employee Compensation Scheme, National Housing Fund, Health Insurance Scheme and Industrial Training Fund. Foreigners and companies seeking to employ expatriates are also guided on how to obtain work permits, information on expatriate quota and relative fees for obtaining expatriate quotas.

³ The Companies and Allied Matters Act 1990 Cap C20, LFN 2004.

1.3 Production Factors

The iGuide provides information on industry regulators for the Electricity, Water, Telecommunications, Road Networks and Railway sectors. For electricity, the Nigerian Electricity Regulatory Commission (NERC) regulates the business of electricity generation, transmission, distribution and marketing in Nigeria, while the Rural Electrification Agency (REA) is a Federal Government Agency saddled with the responsibility of providing electricity to rural communities in Nigeria. The water industry is regulated by the Federal, State and Local Governments. The Federal Ministry of Water Resources provides policy advice, monitoring and coordination of water resources development, while the State Water Agencies (SWA) are responsible for actual urban, semi-urban and rural water supply. The telecommunications industry is regulated by the Nigerian Communications Commission (“NCC”). The iGuide provides a list of major GSM operators in Nigeria and wireless service providers and further explains the current licensing regime and tariffs available in the country. Information on road networks, aviation and maritime sectors are also provided under this section.

1.4 Land Administration

The iGuide provides information on land administration, land acquisition, costs of obtaining land and related permits and procedures for construction in Nigeria. This section also provides information on the free trade zones and procedures for setting up free trade zones.

1.5 Taxes

All businesses which operate in and derive income from Nigeria are liable to pay tax. This section provides information on relevant taxes and informs the investor of the various tiers of tax collection and applicable tax legislations in Nigeria. The tax registration process in Nigeria is also enumerated with the relevant filing documents required. Investment incentives in Nigeria are also listed for guidance on investments in the country to encourage participation in key sectors of the economy while reducing the cost of doing business.

1.6 Investors Right

The Nigerian legal framework is explained as well as the legal framework for investment protection in Nigeria. Under repatriation of funds the NIPC guarantees investors the unrestricted transferability of proceeds from their investments in Nigeria and capital repatriation in the event of liquidation. Information on intellectual property rights (Trademarks, Copyright, Patents and Designs) are also given in this section and the appropriate commission responsible for registration (where required) as well as remedies for breach or infringement, injunctions etc., are enumerated.

1.7 Growth Sectors and Opportunities

The various key sectors for growth and investment in Nigeria are highlighted such as Agriculture, Mining, Power, Manufacturing, Oil and Gas, Transportation and others.

2. CONCLUSION

Overall, the iGuide is a welcome development as it provides an easily accessible platform of information for the benefit of Nigerian and foreign investors. It covers and simplifies the investment processes applicable in all the various states in Nigeria. There is hope that this initiative will positively impact the inflow of investments into the country and inspire other initiatives, which will potentially move Nigeria up, in the World Bank ease of doing business ranking.⁴

For further information on this review and area of law please contact **Ibidolapo Bolu** at:

S. P. A. Ajibade & Co., Lagos by telephone (+234 1 472 9890), fax (+234 1 4605092) mobile (+234 815-086-5646), e-mail (dbolu@spaaajibade.com), OR **Oluwasolape Owoyemi** on (+234 708-953-7801) and e-mail (oowoyemi@spaaajibade.com).

www.spaaajibade.com.

⁴ Nigeria currently ranks 145th out of 195 countries according to the World Bank, Ease of Doing Business Index 2018 available at <http://www.doingbusiness.org/data/exploreeconomies/nigeria>.