Civil Society Regulatory Frameworks in Nigeria

February 2022
This report was Written and Researched by the Strengthening Civic Advocacy and Local Engagement (SCALE) Project Team at the Nigeria Network of NGOs:

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Total of 58 CSO/BMO Regulatory Frameworks reviewed for this assessment comprising 52 laws and policies; and 6 CSO self-regulatory frameworks

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<td>Citizen Participation</td>
<td>2</td>
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<tr>
<td>Access to Government Data</td>
<td>1</td>
</tr>
<tr>
<td>Engagement in Policy &amp; Governance Processes</td>
<td>3</td>
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</tbody>
</table>

Sub-National CSO Regulatory Frameworks Reviewed: 9

CSO Self-Regulatory Frameworks Reviewed: 6
1.0 Executive Summary

The purpose of this research is to better understand the current landscape of civil society regulations in Nigeria, to contribute to and bring knowledge to national conversations on civil society regulations and to examine best practices and tools for self-regulation.

More specifically it aims to:

- advance knowledge and understanding of the legal and institutional regulatory frameworks affecting CSOs’ operations, citizen participation, access to government data, and engagement in policy and governance processes.
- advance knowledge and understanding of relevant regulatory policies, barriers, and facilitators, with variation by states.

Data was gathered to address research questions in two steps, first a database of statutory civil society regulations was created based on secondary data from previous studies and a new, web-based search to document existing regulations. Additional conceptual literature (already in our possession and previously reviewed) also formed part of the review process.

Data on statutory and self-regulation initiatives was searched at the states within sub-national networks and nonprofits. Additional information was found through extensive outreach and online search with keywords. This resulted in an updated database and individual review of statutory regulations and self-regulation initiatives.

In-person key informant interviews (KIIs) were conducted, as well as online consultations with CSOs on their perception of existing statutory regulations - as well as a landscape survey of regulations at the sub-national level in 5 additional states where data was missing (see questions in Appendix A [1]). This survey was administered online using Google forms software hosted by NNNGO and via the telephone among sub-national networks and nonprofits in Abuja, Adamawa, Gombe, Imo and Oyo. All surveys were completed between October 19 and 31, 2021.

The desk review is guided by the following questions:

1. What are the civil society regulatory frameworks (laws and policies) that exist at the national and sub-national level?
2. What self-regulatory initiatives exist among civil society organisations, associations, coalitions, and networks in Nigeria?
3. What are the barriers and facilitators (incentives of civil society regulations)?
4. What are the current opportunities, challenges, and risks to civil society regulation?

Civil society regulation in its best form and as seen in long-lived democracies have two components, one that is state-driven and one that takes organisation or sector-centered drive.

1 - https://docs.google.com/forms/d/10dL1Aax26pYVwvCeeZQ8mgaoZRPShSm0DykV6O2Gc/edit?ts=617d6278
The state driven perspective covers more specifically, NGO law and regulations captured mainly in formal legislation (statutory law) both at the national and sub-national level. Self-regulation such as (national or international) codes of good practice (or ‘soft law’) that organizations must comply with but adopt voluntarily is considered as the sector-centered. Relevant areas of civil society regulation are defined as those that directly affects the formation (basic freedoms and legal recognition), operation (core activities and funding) and dissolution (withdrawal of legal personality and ban) of organisations operating within civil society.

As part of this desk-review, we explore in greater depth, the statutory and self-regulatory initiatives available in the country to contribute to knowledge creation, institutional learning and will serve for the evidence-based planning for advocacy to improve the policy and regulatory enabling environment for civil society.

### Statutory Regulations

Focusing on statutory and self-regulation initiatives we analysed their existence, opportunities, barriers, challenges, facilitators (incentives) and risks to civil society by this repertoire of measures to regulate the sector.

As far as possible the information covers laws in force in Nigeria. Furthermore, the information focuses on national and sub-national regulation—where relevant aspect of civil society activities is further regulated by States. While we have focused on statutory regulations, the review also added policy directives and administrative proceedings or central court rulings that directly affects civil society organisations in their core areas. Documents reviewed were in English language and information on the original source for each document is provided in footnotes.

### Sub-National Regulations

One limitation of this section of the report is the lack of adequate data evidenced by public availability of laws and policies guiding the regulation of civil society at the sub-national level.

This is largely owning to the fact that this is a new area of work for civil society organisations and networks in the State. Unlike the national level where regulatory conversations have advanced, sub-national realities around sectoral regulations have meant that state-level discussions are not rife.

In its present form the only State with a statutory registration process for NGOs is Borno operating under the Borno State Agency for Coordination of sustainable Development and Humanitarian Response (BACSDAHR).

For example, the function of the agency around project analysis, reviews, and approval places constraints on the purposes of an organization in a manner not allowed under international and regional law.

Such extensive involvement by the agency in the internal affairs of an organization places severe logistical and practical constraints on its ability to conduct activities independently and to associate more broadly.

Nine states were tracked during the review, largely sector specific regulations covering civil society organisations working in the areas of women empowerment, youth development and children including those performing social service functions were seen across the 26 States of the Federation.
Self-Regulatory Frameworks in Nigeria

In the last 8 years nonprofits have come under strong criticism with regards to their accountability and impact given the growing trend of terrorism and the vulnerability of the sector to money laundering and terrorism financing necessitating a series of bills proposed by the National Assembly during the 7th and 8th Assemblies however, these bills met with opposition from the civil society sector leading to their eventual death.

Though these moves are a threat to civic space, in recent years, a few nonprofits have seen the increased legislative interest in nonprofit regulations as an opportunity to engage more meaningfully and to jump start conversations on what an ideal regulatory framework for the sector should be.

This study tracked self-regulation initiatives around the country and found that since 2017, the Nigeria Network of NGOs started documenting conversations on the nonprofit regulatory framework, and a shadow report developed [2] and have gone to hold carefully curated online and in-person consultations to gather thoughts, opinions, and voices of nonprofit organisations across the country on statutory regulation and self-regulation[3].

Six identified Self-Regulatory Modalities were finally identified by the National Technical Committee on CSO Self-Regulation at Abuja on the 17th of November 2021 after the various regional consultation meetings with CSO sub-national networks in October and November 2021.

A hybrid model including elements of the following six models has been proposed for the sector in Nigeria:

1) **Working Groups:**
   - CSOs which organize themselves to discuss their own transparency and accountability, share best practices and direct new initiatives.

2) **Information services:**
   - Initiatives which require the participating organizations to publish a specific set of required data that is relevant to accountability and transparency.
   - A directory of CSOs.

3) **Awards**
   - Given in recognition of achievement in transparency and accountability practices through a competitive process.
   - They often aim at rewarding excellence, innovation or good practice.

4) **Self-Assessment**
   - A means to provide effective outcomes.
   - Provides framework for reflection about organizational trajectory.

5) **Codes of Conduct or Ethics**
   - A set of standards which is defined and agreed on by a group of CSOs as a guide to their behaviour and practices.
   - Usually attempts to regulate various aspects of CSOs’ operations including governance, accountability, fundraising, safeguarding & sexual harassment, diversity & inclusion policies etc.

6) **Certification Schemes:**
   - Evaluate an organisation’s governance, programmes and practices against a set of standards and norms defined and established by a group of organisations.
   - Organization receives a seal of certification or accreditation after proof of adherence.

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3 - National Consultation Report on Statutory and Self-Regulation in Nigeria
Barrers, Facilitators and Opportunities for CSO Regulation

Barriers
The very weak collaborative and ineffective educative approach taken by regulators especially Corporate Affairs Commission and Federal Inland Revenue Service including lack of the use of incentives to encourage good behaviours and use of powers to enforce laws in matters of misconduct has ultimately damaged relationship between civil society and them. Nigeria currently has 27 regulatory regimes that impact upon civil society resulting in complexity and inefficiency for organisations including creating unacceptable levels of unnecessary red tape.

Many of the recent problems on civil society regulations have occurred due to lack of compliance with the existing rules, or disregard for available guidance or best practices. Civil society Boards have often been too absent from their roles and responsibilities as owners in trust. The sector must reconnect Boards of civil society organisations to their oversight functions.

Facilitators
A decline in public trust and confidence in civil society organisations come tops as one of the key facilitators or incentives for civil society regulations. Increasingly the public is questioning the transparency of large entities within the sector and calling for regulations[4].

Civil society organisations enjoy tremendous goodwill from Nigerians and with this comes responsibility to live up to the very highest standards. Most Civil society organisations and leaders are conscious of this themselves and are beginning to self-assess especially with the growth in the number of organisations and their spread.

Increasing legislative proposals from the National Assembly to regulate civil society has meant that there is a lack of appetite for new statutory regulations as it raises as many problems as it would address as can be seen from the push back on CAMA however, we see increased appetite for self-regulation driven largely by the need for civil society to provide an alternative to government regulations.

Compliance with existing regulations (on registration) continues to be driven or incentivised by fundraising requirements and access to banking services. For example, while few donors will waive “company registrations” or registration with the Corporate Affairs Commission, an important requirement to access funds will be a bank account in their name. Whereas to open a bank account, a registration certificate with both the Corporate Affairs Commission, Special Control Unit on Money Laundering and Tax Identification Number from Federal Inland Revenue Service is required.

Opportunities
Civil society organisations in Nigeria have the opportunity of seizing the momentum on the call for more transparency and accountability on their part to strengthen trust and confidence in their activities as this critical to its success and existence.

While reported incidence of misconduct and misappropriation is very low, it has the potential to undermine the good work organisations are doing across the country. Measures to enhance transparency, clarify permissible roles and share information with the public will go a long way towards strengthening the trust and confidence the sector needs in order to continue to thrive.

The implementation of CAMA and its challenges provides opportunity for the sector to work with regulators to ensure
civil society organisations face minimal red tape and that they have enough time and resources to serve the community. While organisations will have to provide information on their activities to the regulator, opportunities to reduce complexity of requirements and inefficacies when engaging with regulators and other government agencies.

**Conclusion**

Presently, there is an oversupply of laws impacting on the operations of civil society and an undersupply in its awareness among operators in the sector and implementation on the part of regulators.

It must be acknowledged from the outset that civil society regulation especially those around the sector’s accountability and transparency are hot topics both within civil society and at the political level. Agreed, effective regulation is important for reassuring the public of the civil society sectors legitimacy thereby inspiring and maintaining trust in their operations.

The role of regulators overseeing the registration and behaviour of civil society organisations should be to give confidence to the public, donors, government and private sector and support improvement.

**Recommendations**

1) Regulators, legislature, and civil society should consider a one-stop shop for regulating the operations of civil society organisations in ways that promotes ease of registration and compliance (post incorporation activities) including overall effectiveness and efficiency of the sector.

2) There are at present many civil society networks and coalitions at the national and sub-national level ranging from generic and thematic or subsectors.

3) Regulators should enhance their ability to share information that would support collective goals of promoting transparency and accountability compliance in the sector. While all regulations identified in this report have an agency of government responsible for their implementation, their inter-agency information sharing procedures have largely proven unworkable leading to more burden for civil society.

4) Self-regulation initiatives in the civil society sector should seek synergies with the regulation process at the national and sub-national levels by developing indicators for a monitoring system and voluntary reporting mechanism. Members must pay attention to the implementation and enforcement of existing self-regulatory mechanisms.

A dialogue between regulators, legislature, civil society, and the public at the national and sub-national levels on regulations for the sector would help ensure that all stakeholders are well informed about statutory and self-regulation processes and that any action from government builds on, rather than duplicate or overregulate the sector.
**2.0 Introduction**

Nigeria Strengthening Civic Advocacy and Local Engagement (Nigeria SCALE) is a five-year (Oct 2020 – Oct 2025), cooperative agreement funded by the American people through the United States Agency for International Development (USAID), implemented by Palladium in collaboration with Nigeria Resource Partners (RPs).

Nigeria Network of NGOs (NNNGO) as a resource partner with the overall program goal to improve the policy and regulatory enabling environment for Civil Society was commissioned to review the regulatory frameworks affecting CSO operations and citizen participation in governance processes, such as access to government data and engagement in policy and governance processes to understand the relevant policies, barriers, and facilitators, with variation by states.

**Objective**

The purpose of this research is to better understand the current landscape of civil society regulations in Nigeria, to contribute to and bring knowledge to national conversations on civil society regulations and to examine best practices and tools for self-regulation.

More specifically it aims to:

- advance knowledge and understanding of the legal and institutional regulatory frameworks affecting CSOs’ operations, citizen participation, access to government data, and engagement in policy and governance processes.

**2.1 Methodology**

Data was gathered to address research questions in two steps, first a database of statutory civil society regulations was created based on secondary data from previous studies and a new, web-based search to document existing regulations. Additional conceptual literature (already in our possession and previously reviewed) also formed part of the review process.

Data on statutory and self-regulation initiatives was searched at the states within sub-national networks and nonprofits. Additional information was found through extensive outreach and online search with keywords. This resulted in an updated database and individual review of statutory regulations and self-regulation initiatives.

In-person key informant interviews (KII) were conducted, as well as online consultations with CSOs on their perception of existing statutory regulations – as well as a landscape survey of regulations at the sub-national level in 5 additional states where data was missing (see questions in Appendix A [5]).

This survey was administered online using Google forms software hosted by NNNGO and via the telephone among sub-national networks and nonprofits in Abuja, Adamawa, Gombe, Imo and Oyo. All surveys were completed between October 19 and 31 2021.

The desk review is guided by the following questions:

- What are the civil society regulatory frameworks (laws and policies) that exist at the national and sub-national level?

- What self-regulatory initiatives exists among civil society organisations, associations, coalitions, and networks in Nigeria?

5 - https://docs.google.com/forms/d/10dLEIax26plYVwvCeeZQ8mgaOZRPRSMn0DykVy6O2Gc/edit?ts=617d6278
2.2 Background

The civil society sector in Nigeria has grown to become diverse and large in its operations providing many services to communities across the country. It has also experienced tremendous goodwill from the Nigerian public amidst growing needs to meet their expectations when it comes to transparency, accountability, and good governance. Questions about the operations of the sector and how to appropriately regulate it have also increased.

Several administrations increasingly expressed an interest in reigning in the power (regulating) of civil society organisations through new legislative proposals emanating from the 6th to 9th Assembly. Many of these interventions explicitly aim to weaken the sector.

Regulations (any rule endorsed by government where there is an expectation of compliance) are important in shaping the welfare of economies and societies. The objective of regulatory policy is to ensure that regulation works effectively and is in the public interest[6].

Nigeria has three jurisdictions (national, state, and local government) whose regulatory regimes impact on the operations and activities of nonprofits with the company registration, tax system, money laundering and countering of terrorism financing overlaying each of these resulting in inconsistency, complexities, and inefficiency for nonprofits.

Civil society regulation in its best form and as seen in long-lived democracies have two components, one that is state-driven and one that takes organisation or sector-centered drive. The state driven perspective covers more specifically, NGO law and regulations captured mainly in formal legislation (statutory law) both at the national and sub-national level.

Self-regulation such as (national or international) codes of good practice (or ‘soft law’) that organizations must comply with but adopt voluntarily is considered as the sector-centered. Relevant areas of civil society regulation are defined as those that directly affects the formation (basic freedoms and legal recognition), operation (core activities and funding) and dissolution (withdrawal of legal personality and ban) of organisations operating within civil society.

As part of this desk-review, we explore in greater depth, the statutory and self-regulatory initiatives available in the country to contribute to knowledge creation, institutional learning and will serve for the evidence-based planning for advocacy to improve the policy and regulatory enabling environment for civil society.

This exercise will support the refinement of regulatory approaches to the activities of nonprofits in Nigeria while helping to counter the threat to weaken the civil society sector. Focusing on statutory and self-regulation initiatives we analysed their existence, opportunities, barriers, challenges, facilitators (incentives) and risks to civil society by this repertoire of measures to regulate the sector.

3.0 Statutory Regulations

Legal Frameworks Guiding the Formation, Operations and Dissolution of CSOs in Nigeria

This section of the report provides information on laws and policies regarding formation (basic freedoms and legal recognition), operation (core activities and resources) and dissolution (withdrawal of legal personality and ban). As far as possible the information covers laws in force in Nigeria.

Furthermore, the information focuses on national and sub-national regulation—where relevant aspect of civil society activities is further regulated by States.

While we have focused on statutory regulations, the review also added policy directives and administrative proceedings or central court rulings that directly affects civil society organisations in their core areas. Documents reviewed were in English language and information on the original source for each document is provided in footnotes.
### Tax and Levies
- **Federal Inland Revenue Service (Establishment) Act, 2007**
- **Companies and income Tax Act 2007**
- **Personal Income Tax Act 1993**
- **Value Added Tax Act 1993**
- **Value Added Tax 2007 (As Amended)**
- **Tax and Levies (Approved list for collection) Decree 1998**
- **National Health Insurance Scheme Act 2004**
- **Financial Reporting Council of Nigeria Act 2011**
- **National Housing Fund Act 1992**
- **Employee Compensation Act 2010**
- **Industrial Training Fund Act 2011**
- **Nigeria Data Protection Regulation 2019**
- **Amended Anti-Money Laundering/Combating Financial of Terrorism (AML/CFT) Compliance Manual 2013**
- **Nigeria Immigration Act 1963**
- **Customs and Exercise Management Act 2004**
- **Nigeria Code for Corporate Governance 2018**
- **Guideline on the Management of Dormant Accounts and Other Unclaimed Funds by Banks and Other Financial Institutions in Nigeria. 2015**
- **Good Financial Grant Practice Standard/GFGP Standard**
- **National Policy on Inclusive Volunteering 2020**
- **The Nigerian Cybercrime (Prohibition, Prevention Etc.) Act 2015**

### Dissolution (Withdrawal of Legal Personality and Ban)
- **Companies and Allied Matters Act (CAMA), Part A, Part F (2020)**
- **Companies Regulations 2021**
- **Nigerian Cooperative Societies Act (NCA) 2004**
### Tables Showing the Major Laws, Policies and Regulations Impacting CSOs / BMOs in Nigeria

#### Governance/Management

<table>
<thead>
<tr>
<th>Status</th>
<th>CSOs/ BMOs / Professional Associations Operations</th>
<th>Justification</th>
</tr>
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<tbody>
<tr>
<td>E†</td>
<td>Companies and Allied Matters Act 2020, Part B and Part F</td>
<td>CSOs /NGOs</td>
</tr>
<tr>
<td>Rd</td>
<td>Nigeria Code for Corporate Governance 2016 (suspended for nonprofits)</td>
<td>After concerns and protests from the Faith-Based sector at its introduction in 2016, the Federal Government suspended its implementation for nonprofits.</td>
</tr>
<tr>
<td>E</td>
<td>Nigerian Cooperative Societies Act (NCA) 2004</td>
<td>Registration confers legal identity on the cooperative society without the need of registration under CAMA.</td>
</tr>
<tr>
<td>E</td>
<td>Chartered Institute of Taxation of Nigeria (CITN) Act 1992</td>
<td>Registration, training, and regulation of Tax Practitioners.</td>
</tr>
<tr>
<td>E</td>
<td>Institute of Chartered Accountants of Nigeria (ICAN) Act 1965</td>
<td>Registration, training, and regulation of Chartered Accountants.</td>
</tr>
<tr>
<td>E</td>
<td>The Nigerian Institute of Management (Establishment) Act, 2003</td>
<td>Registration, training, and regulation of Management Practitioners.</td>
</tr>
<tr>
<td>E</td>
<td>Trade Unions Act 1973</td>
<td>Registration and regulation of Trade Unions.</td>
</tr>
<tr>
<td>E</td>
<td>Legal Practitioners Act 1975</td>
<td>Registration and regulation of Legal Practitioners.</td>
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#### Laws Regulating CSOs Thematic Area of Work

<table>
<thead>
<tr>
<th>Status</th>
<th>CSOs/ BMOs / Professional Associations Operations</th>
<th>Justification</th>
</tr>
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<tbody>
<tr>
<td>E†</td>
<td>Child’s Right Act 2003</td>
<td>State re-enactment of the CRA is present in 26 states (as of December 2020).</td>
</tr>
<tr>
<td>E</td>
<td>Violence Against Persons Prohibition Act 2015</td>
<td>State adoption of the VAPP is present in 18 states (as of December 2021).</td>
</tr>
</tbody>
</table>

Status

- E: Essential
- C: Compliance
- Rd: Redundant
- Rp: Repetitive
- D: Discretion
- †: General Compliance
- ↓: Low Compliance
- ↘: Partial Compliance
## Fundraising and Use of Resources

### CSOs/ BMOs / Professional Associations Operations

<table>
<thead>
<tr>
<th>Status</th>
<th>CSOs/ BMOs / Professional Associations Operations</th>
<th>Justification</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Planning Commission Act 1993</td>
<td>In order to be able to import charitable goods and enjoy custom waivers and fees, nonprofits need to register with the NPC as this a pre-requisite to enjoy such benefits. However, only a fraction of NGOs /CSOs are registered with NPC since not every organisation imports charitable.</td>
<td></td>
</tr>
<tr>
<td>Federal Inland Revenue Service (Establishment) Act, 2007</td>
<td>All NGOs/CSOs/BMOs and staff obtain their Tax Identification Number. Registration with FIRS confirms the tax exempt status of a civil society organization but takes it further to issues of tax administration and compliance. The registration allows FIRS to ascertain that the transactions of organizations registering under Part B or F are truly for nonprofit purposes.</td>
<td></td>
</tr>
<tr>
<td>Companies and Income Tax Act 2007</td>
<td>CITA mandates CSOs/NGOs/BMOs to file annual tax returns, but many do not. CSOs, FBOs or CBOs are exempted from paying CITA, provided that such profits are not derived from trade or business carried on such organisations. The payer of income derived from sale to the NGOs must deduct Withholding Tax (WHT) from the payments. NGOs must deduct WHT on contracts awarded to suppliers and contractors and remit to the relevant tax authorities. Section 25 of CITA provides tax relief to any company making donations to an organisation listed under the fifth schedule to CITA.</td>
<td></td>
</tr>
<tr>
<td>Value Added Tax Act 1993</td>
<td>VAT on goods purchased by NGOs for use in humanitarian donor-funded projects is at zero rate under VAT act. The NGO itself is not exempt from VAT where the organisation procures contracts or purchases goods that are not directly used in humanitarian donor-funded projects. Likewise, any service procured or consumed by NGOs is liable to VAT, except where such service is exempt under the VAT Act. NGOs should charge VAT on all taxable goods and services supplied and remit same to the FIRS as and when due. In practice, anecdotal evidence shows many NGOs/CSOs/BMOs do not pay VAT as required.</td>
<td></td>
</tr>
<tr>
<td>Value Added Tax Act 2007 (As Amended)</td>
<td>In practice many NGOs/CSOs/BMOs do not pay taxes as required.</td>
<td></td>
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<tr>
<td>Tax and Levies (Approved list for collection) Decree No. 21 1998</td>
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<tr>
<td>CSOs/ BMOs / Professional Associations Operations</td>
<td>Justification</td>
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<tr>
<td>Money Laundering (Prohibition) Amendment Act (MLPA) 2011 and the Terrorism (Prevention) Amendment Act (TPA 2011)</td>
<td>NGOs/CSOs/BMOs are required to obtain a SCUML Certificate before opening a bank account; file cash-based transactions reports (CBTR) – for cash transactions more than $1,000 or its naira equivalent and currency transaction reports (CTR) for lodgements of N5m and above for individuals and N10m for corporate bodies. In practice, many NGOs/CSOs/BMOs do not file CBTRs or CTRs as required.</td>
<td></td>
</tr>
<tr>
<td>Customs and Exercise Management Act 2004</td>
<td>While gifts are a source of income for civil society, it can come in the form of charitable giving or donations from overseas such as medical equipment, shoes, books, laptops etc. Such goods would require shipping (charitable shipping or shipping charitable goods).</td>
<td></td>
</tr>
<tr>
<td>National Financial Intelligence Unit Act, 2018</td>
<td>NFIU works in coordination with SCUML to regulate the nonprofit sector on issues of Anti-Money Laundering, Counter-Terrorist Financing and Counter-Proliferation Financing (AML/CTF/CPF).</td>
<td></td>
</tr>
<tr>
<td>Finance Act 2020</td>
<td>Individuals or persons in employment who earn monthly income not exceeding the national minimum wage (currently N30,000 per month) have been exempted from Personal Income Tax. By implication, these individuals should no longer be subject to the monthly PAYE deduction. <strong>Review of Penalties:</strong> Every company, including a company exempted from tax, is required to maintain books of accounts in English language for a minimum period of six (6) years after the year of assessment in which the income relates. Failure to provide documents on request by the FIRS is liable to a penalty of N100,000 in the first month of default and N50,000 in each subsequent month the failure continues.</td>
<td></td>
</tr>
<tr>
<td>National Lottery Act 2005 and 2007</td>
<td>Lotteries and raffles are an alternative source of funding for the activities of civil society organisations globally. Lotteries are emerging in the sector in Nigeria. CSOs interested in raising funds through lotteries (Charity Lotteries) will have to register with the Lottery Commission and be guided by the Act.</td>
<td></td>
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<tr>
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<td>Justification</td>
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</tr>
<tr>
<td>D</td>
<td>National Health Insurance Scheme Act 2004</td>
<td>Given that civil society organisations are employers and pay wages, the National Health Insurance Scheme Act 2004 is worth considering for nonprofits having up to 10 staff in its employment. The use of the word “may” in the Act makes it non-binding. The new NHIS Amendment Bill is seeking to make the Scheme and the Sub-National Schemes mandatory.</td>
</tr>
<tr>
<td>D</td>
<td>Pensions Reform Act 2014</td>
<td>Only relatively few nonprofits feel it is applicable to them. The Act is to “provide for an open and fair system of guaranteed and adequate compensation for all employees or their dependants for any death, injury, disease or disability arising out of or in the course of employment”. The Act is implemented by Nigeria Social Insurance Trust Fund Management Board. However, as nonprofits in Nigeria have a majority of staff being volunteers and part-time employees, only relatively few nonprofits feel it is applicable to them.</td>
</tr>
<tr>
<td>E</td>
<td>Employee Compensation Act 2010</td>
<td>The Act grants the Minister of Interior the powers to approve expatriate quotas to foreigners wishing to come into the country to carry out any permanent work. International NGOs are more likely to require expatriate quotas than local ones. The expatriate quota application in Nigeria immediately comes after the registration of an entity in Nigeria by any foreigner seeking to migrate to Nigeria to carry out any permanent work.</td>
</tr>
<tr>
<td>E</td>
<td>National Social Insurance Trust Fund Act 2011</td>
<td>The policy was launched recently during the covid-19 pandemic and awareness of its existence is still low.</td>
</tr>
<tr>
<td>E</td>
<td>Nigeria Immigration Act 1963</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>National Policy on Inclusive Volunteering 2020</td>
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### CSOs/BMOs/Professional Associations Operations

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<thead>
<tr>
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<tbody>
<tr>
<td>National Housing Fund Act 1992</td>
<td>The National Housing Fund Act aims to facilitate the mobilisation of Fund for the provision of housing for Nigerians at affordable prices. The Act requires contribution by Nigerian workers earning an income of 30,000 Naira. However, as nonprofits in Nigeria have mostly volunteers and part-time employees, only relatively few nonprofits feel it is applicable to them.</td>
</tr>
<tr>
<td>Industrial Training Fund Act 2011</td>
<td>Minimum threshold for an employer to become liable under scheme has been reduced from 25 employees to a minimum of 5 or annual turnover of N50 million. Required contribution is 1% of payroll. However, as nonprofits in Nigeria have most staff being volunteers and part-time employees, only relatively few nonprofits feel it is applicable to them.</td>
</tr>
<tr>
<td>National Drug Law Enforcement Agency Act 1989/Police Report</td>
<td>Largely a diplomatic function/visa requirement. Though essential for travel to countries or regions with high incident of drug trafficking few events happening in those regions.</td>
</tr>
</tbody>
</table>

### Accounting and Financial Management

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<tr>
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<tbody>
<tr>
<td>CBN Guideline on the Management of Dormant Accounts and Other Unclaimed Funds by Banks and Other Financial Institutions in Nigeria.</td>
<td>Given the implication of dormant accounts to the operations of CSOs and its connection to the Part F of the CAMA, Section 845, mandating banks to inform the Commission of dormant accounts, the provisions of the Central Bank’s definition and guidelines on dormant account should guide nonprofits in the operations. However, in practice, many NGOs/CSOs/BMOs are not aware of these guidelines.</td>
</tr>
<tr>
<td>Good Financial Grant Practice Standard/GFGP Standard</td>
<td>The objective is to standardize, simplify and strengthen the financial governance of grant funding.</td>
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</table>
### CSOs/ BMOs / Professional Associations Operations

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<tbody>
<tr>
<td>E</td>
<td>Financial Reporting Council of Nigeria Act 2011</td>
<td>The FRC develops and publishes accounting and financial reporting standards in the preparation of financial statements of public entities in Nigeria, and for related matters. In practice, many NGOs/CSOs/BMOs do not file CBTRs or CTRs as required.</td>
</tr>
<tr>
<td>E</td>
<td>Independent Corrupt Practices and other related offences Act 2000</td>
<td>Nonprofits must have policies against corruption, fraud, and a gift policy. The Act provides for offences and penalties, investigation, seizure, and arrest. The scope of the Act covers any legal entity artificial or otherwise recognized by CAMA or created under the authority of law in Nigeria.</td>
</tr>
<tr>
<td>Ct</td>
<td>Nigeria Data Protection Regulation 2019</td>
<td>Anecdotal evidence suggests that very few CSOs are aware of the impact of NDPR or GDPR to their operations. Nonprofits were not the targets of regulators (NITDA or EU regulators) and it could take some time for the NDPR which was issued in 2019 to establish the regulatory mechanism to enforce the policy.</td>
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<tr>
<td>Ct</td>
<td>The Nigerian Cybercrime (Prohibition, Prevention ETC.) Act 2015</td>
<td>CSOs have flagged Section 24 and 38 of the Act as problematic. Section 24 is seen as cyber stalking and has been repeatedly used to harass and persecute journalists and critics. Section 38 provides the duties of a service provider vis-à-vis data retention and contains provisions that are vague and borderline unconstitutional. CSOs have approached the Supreme Court to remove these sections from the ACT due to concerns regarding their constitutionality.</td>
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### Technology and Communication

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## Citizen Participation

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<tr>
<td>E↑</td>
<td>1999 Constitution</td>
<td>Section 40 “Every person shall be entitled to assembly freely and associate with other persons, and in particular he may form or belong to any political party, trade union or any association for the protection of his interests”.</td>
</tr>
<tr>
<td>E↑</td>
<td>Electoral Act 2022</td>
<td>Section 12 provides for all citizens of Nigeria aged 18 years old to be registered to vote; regular voter registration exercises have been taking place in Nigeria.</td>
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</tbody>
</table>

## Access to Government Data

<table>
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<tbody>
<tr>
<td>↓</td>
<td>Freedom of Information Act (2011)</td>
<td>Many states not accepting the FOIA in their jurisdiction and have not enacted their state-level FOI laws.</td>
</tr>
</tbody>
</table>

## Engagement in Policy and Governance Processes

<table>
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<tbody>
<tr>
<td>E↓</td>
<td>Nigeria Open Government Partnership (OGP), National Action Plan II (NAPII) (2019–2022)</td>
<td>At the national level, OGP introduces a domestic policy mechanism through which the government and civil society can have an ongoing dialogue. Only 14 out of 36 state governments have adopted the OGP in their states (2020).</td>
</tr>
</tbody>
</table>
3.1 Formation

The regulatory environment for persons in Nigeria forming non-state, not-for-profit, voluntary entities, separate from the state and business sector is outlined in this section.


The Nigerian Constitution guarantees the right to freedom of association as enshrined in Section 40. “Every person shall be entitled to assembly freely and associate with other persons, and in particular he may form or belong to any political party, trade union or any association for the protection of his interests”.

This section holds great significance for unregistered associations to form, protecting the right of individuals not only to belong to but also to form an association.

The Constitution bars compelling associations to register in order to be allowed to exit and to operate freely. It further provides the basis for voluntarily joining and leaving an association including whom to admit subject to the prohibition of discrimination.

The right to form further covers the right to acquire legal personality (if the association so wish) and consequent benefits (incentives) which includes tax exemptions, ability to have bank accounts and to initiate legal proceedings in their name.


Article 10 of the African [Banjul] Charter on Human and Peoples Rights provides that “Every individual shall have a right to free association provided that he abides by the law.”
Nigeria has ratified this Charter and made it a part of national law. In Abacha v Fawehinmi, the Supreme Court held that since the African Charter has been incorporated into Nigerian law, it enjoys a status higher than a mere international convention; it is part of Nigerian corpus juris[7].

The Guidelines on Freedom of Association and Assembly [8] of the African Commission on Human and Peoples’ Rights (African Commission) developed in accordance with the relevant provisions of the African Charter on Human and Peoples’ Rights adopted at the 60th Ordinary Session of the Commission in Niamey Niger from 8 to 22 May 2021 notes: “States shall not compel associations to register in order to be allowed to exist and to operate freely[9]. Informal (de facto) associations shall not be punished or criminalized under the law or in practice on the basis of their lack of formal (de jure) status.

3.1.3 Companies and Allied Matters Act (CAMA), Part B and F (2020)

Signed into law in 2020, the Companies and Allied Matters Act[10] subjects individuals wanting to form an association or be incorporated to governance and oversight rules. The adoption of the Act in 2020 was a major overhaul of the country’s civil society formation and dissolution law.

The Act focuses primarily on (i) processes and procedures relating to forming an association (ii) internal governance and oversight (iii) processes and procedures relating to specified transactions such as mergers, dormant accounts and administrative requirements considered to be outdated (use of corporate seal) and control of associations in cases of misconduct, mismanagement, or fraudulent activities. This law is implemented by Corporate Affairs Commission. Set forth below is a summary of its key provisions:

(a) Registration: Company Limited by Guarantee - A company limited by guarantee is formed for the promotion of commerce, art, science, religion, sports, culture, education, research, charity, or other similar objects. The income and property of the company is applied solely towards the promotion of its objects. No portion of the company’s income or property may be paid or transferred directly or indirectly to the members of the company except as permitted by the CAMA.

A company limited by guarantee does not issue shares and so does not create ownership rights in any persons, legal or natural [11]. Any provision in the memorandum, articles, or any resolution of the company that purports to divide the company’s undertaking into shares or interests is void[12].

The memorandum of a company limited by guarantee shall not be registered without the authority of the Attorney-General of the Federation and he/she shall within thirty days grant authority to the promoters of a company limited by guarantee where there are no objections to the memorandum or other cogent reasons to decline to grant approval to register the company as one limited by guarantee[13].

Where all valid documents are furnished and no decision has been made by the Attorney-General of the Federation within the thirty-day period - (a) the promoters shall place advertisements in three national dailies and shall invite objections, if any, to the incorporation of the company; and if after the advertisement, no objection is received within the period specified in subsection (9) or, where any objection is received, the same is rejected, the Commission, having regard to all the circumstances, may assent to the application or withhold its assent; and (b) the

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9 - Ideally, legislation shall explicitly recognize the right to exist of informal associations
11 - Companies & Allied Matters Act (CAMA), 2020, Section 26(1).
12 - Ibid, Section 26(2)
13 - Ibid, Section 26(4),(5)
Commission assents to the application, it shall register the company and issue a certificate of incorporation[14].

**Incorporated Trustees** - The Act in Part F also provides for the number of people (two or more) to register a civil society organisation as Incorporated Trustees in order to become a legal entity or corporate body. In addition, they must register via a method of application (online) prescribed by the Corporate Affairs Commission and must include name of the proposed corporate body, aims and objectives, names and addresses of founding members, constitution, duly signed minutes appointing the trustees and authorising application.

The Act allows the Commission to advertise the application in 2 daily newspapers circulating in the area in order to invite objections from the public and where a no objection is received within 28 days, the trustees (organisation) are registered, and certificate issued. The process for changing the name of the organisation, objectives and alterations to the constitution are also provided for by the Act.

**b) Governance/Oversight:** The Act requires that Trustees of nonprofits will not be infants, person of unsound mind, undischarged bankrupt and convict. Governing the activities of the Trustees will be a constitution which has information on aims and objectives, appointment, powers and duties, tenure of office, use of common seal, meetings of the association, number of members of the governing body, procedure for their appointment and removal, procedure for disbursement of funds, keeping of accounts and auditing if subscriptions and other contributions will be collected.

Activities of the trustees are subjected to the directives of the association with its “income and property applied towards the promotion of the objects of the body”. No portion “shall be paid or transferred directly or indirectly ...by way of profit to members of the association”.

**c) Contracting:** The association (organisation) can contract based on the Act and constitution of the organisation “in the same form and manner as an individual”.

**d) Salaries and Benefits:** The Act requires that in the case of trustees, members, council management or governing body no fees (dividend, bonus or otherwise by way of profit) or salaries ‘shall be paid” however payments in “good faith, of reasonable and proper remuneration can be paid to an officer, ex-officio or servant of the body”. Out-of-pocket expenses or reasonable fees for service rendered are allowed by the Act.

**e) Commissions Power to Take Control:** The Corporate Affairs Commission can suspend trustees and appoint interim managers of an association with incorporated trustees in certain circumstances: (1) where the Commission reasonably believes that there has been misconduct or mismanagement in the administration of the association; (2) to protect the property of the association; or (3) where the affairs of the association are being run fraudulently (CAMA Section 839(1)). Trustees can also be suspended by a court order upon the petition by the Commission or by at least one-fifth of the members of the association (CAMA Section 839(2)).

**f) Dormant Accounts:** A dormant asset is one that a firm is unable to reunite with its beneficial, or rightful, owner. The Act requires banks to notify the Commission of dormant (as defined under relevant banking regulation) banks accounts. Unclaimed funds in a dormant account will be transferred to an association specified by the Commission if the association fails to respond within 15 days or where it is unable to locate the trustees of the association. Where the Commission is able to confirm the activities of the association, directives on transfers can be revoked.

**g) Accounting Records:** Trustees of each organisation is expected to “ensure accounting records are kept in respect of the association” with such records showing “reasonable accuracy” of “all money received and expended by the

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14 - Ibid, Section 26(10)
association” including a “record of the assets and liabilities of the association”. Accounting records of an “association shall be preserved by it for a period of six years from date on which they were made”.

(h) Bi-Annual and Annual Reporting: Trustees of the association “shall not earlier than 30 June or later than 31st December each year submit to the Commission a return showing among other things, the name of the corporation, the names addresses and occupations of the trustees and numbers of the council or governing body, particulars of land held by the corporate body during the year and any changes which have taken place in the constitution of the association during the preceding year.

Return is to be submitted along with audited statement of accounts for the year of returns.

By virtue of Section 846 of the Part of CAMA “The financial year for associations registered under Part F of the Act shall be from 1st January to 31st December” hence in response to section 845 on bi-annual statements by incorporated trustees, all organisations registered as “incorporated trustees” will need to submit their statement of affairs as follows:

“The bi-annual statements required under the Act shall be in FORM CAC/IT 5 and shall be made up to the 30th day of June and 31st day of December each year and filed not later than 15th day of July and 15th day of January following”.

(i) Mergers: The Act provides an opportunity for two or more associations with similar aims and objects to merge.

3.1.4 Nigerian Cooperative Societies Act

Registration of Cooperative Societies:

Section 2 of the NCA provides that Societies may be registered as a co-operative society under this Act by the Federal or State Director of Cooperatives, if it is a limited liability society; and has as its objects the promotion of the socio-economic interests of its members in accordance with co-operative principles, and established for the purpose of facilitating the operation of those principles.

3.1.5 National Planning Commission [15].

International NGOs wishing you to operate in Nigeria are regulated by the National Planning Commission Act 1993.

While the Act does not expressly provide legal backing for this regulatory activity, Section 12: Relationship with Other Bodies “The Commission shall maintain liaison with the private sector, labour unions, universities, research institutes, non-governmental organisations and such other bodies as may be useful in promoting plan formulation, acceptability and implementation” may have been the section relied upon for this function.

Today an international NGO wishing to operate in Nigeria will need to sign a memorandum of understanding (MoU) with the Nigerian Government through the National Planning Commission before it can proceed to the Corporate Affairs Commission for registration.

There have been directives by NPC requesting civil society organisations to register with the Commission. While there are no legal requirements for this, however organisations requiring tax exemption on shipping charitable goods for instance, will require a proof of registration with the Commission before such can be granted, serving as an incentive to register.

Other commentators look at the following sections of the NPC Act as the more authoritative for the NPC to register NGOs: One of the Functions of the Commission (Section 4(i)) is to:

Manage multilateral and bilateral economic co-operation, including development aid and technical assistance programming. Section 5 (a) further empowers the National Planning Commission to:

Ask for and obtain from any government agency or other private statistical or other information relevant to the functions of the Commission under this Act; In furtherance of the above, the International Cooperation Department of the Ministry of Budget & National Planning is charged with the responsibility of managing multilateral and bilateral economic co-operation,

including development aid and technical assistance programmes.

The Bilateral Economic Cooperation division of the department manages development aid and technical assistance programme from Non-Governmental Organization (International and Local) from European, Asian and American countries. The division also registers, coordinates, and monitors the activities of all International Non-Governmental Organizations (INGO) and Local Non-Governmental Organization (NGO) in the country.

4.0 Operations
(Core Activities and Resources)

Nigerian nonprofits make a substantial contribution to the Nigerian economy and civil society through employment and volunteering (unpaid work).

The sources of revenue for the sector are from member fees, individual donations from friends, families and interested public, grants providing jobs and services as well as opportunities for the participation of individuals, families, and groups in local communities and across the nation in areas such as health, social services, education, research, sport and recreation, arts and culture, environment, community development, gender related issues, human rights, employment and training, housing, ageing, childcare, disability, law and advocacy.

Key to achieving the vision and mission of civil society organisations is behaving and operating in a principled manner. Building a resilient and sustainable institution requires alignment with fundamental values that organisations should embed in their daily strategies and operations.

The emergence and growth of the nonprofit sector in the last few decades have made it an important part of modern economy.

The objective of a nonprofit organization is not to benefit a narrow group of owners but a broader public, which is like that of a government. At the same time, a nonprofit must also ensure income and expense match over time, which is similar to business.

Economists have identified the primary roles of nonprofits as service-providers who provide various functions in delivering products and services to designated populations especially those with minority preferences, vanguards who experiment and pioneer new approaches, processes or programs in service delivery, value guardians who foster and help express diverse values, and advocacies who give voice to the minority and particularistic interests and values for effecting changes and improvement in social and other policies (Kramer 1981).
These roles allow nonprofit organizations to complement the public and business. Thus, nonprofit organizations, forming a separate sector in an economy, distinguish themselves from organizations in public sector and those in business sector with tax being the most noticeable distinction[16].

The term operations typically refer to how nonprofit companies carry out their business; that is, how they handle day-to-day activities and how they produce products and provide services efficiently and cost-effectively in order to maximize profits.

To nonprofit organizations, efficient operations are very important. “In your world, efficiency means that your organization does more with less. It means that you leverage maximum value out of every donor dollar by spending as little as possible to deliver quality services and support for your causes. And that means you end up reaching more people, doing more good, and, as a bonus, having an easier time raising future funds[17].”

Nonprofit operations and activities cover a range of issues from management, fundraising and use of resources, human resources, accounting and financial management, communication, technology, and governance. Discussed below is a summary of national laws and regulations guiding nonprofit operations in Nigeria.

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**Governance / Management**

- Nigeria Code for Corporate Governance 2016 (Suspended)

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**Fundraising and Use of Resources**

|--------------------------------------|--------------------------------------------------------|-----------------------------------|---------------------------------------------|

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4.1 Governance / Management

4.1.1 Nigeria Code for Corporate Governance 2016[18]

The basic principles of governance work in the for-profit and nonprofit realms in vastly similar ways. In general, governance is a structure that holds corporations accountable for responsible, ethical behaviour.

Nonprofit board members are responsible for the oversight and strategic planning of their organizations in a similar fashion to for-profit organizations. Nonprofit board members oversee matters that are critical to the health of the organization.

Nonprofit board directors manage such fundamental matters as the viability of their organization’s business model, the integrity of internal systems and controls, and the accuracy of financial statements. Working together as a whole, nonprofit boards have full decision-making power.

They are responsible for formulating key policies about the direction and strategy of the organization in keeping with the nonprofits mission and stated purpose. Strategic planning accounts for short- and long-term goal setting. Board members authorize major actions and transactions in accordance with the policies the board sets.[19]

Broadly speaking the Code of Corporate Governance implemented by the Financial Reporting Council of Nigeria [20] was developed to enable the Financial Reporting Council of Nigeria, among other things, to:

(a) promote the highest standards of corporate governance.
(b) promote public awareness about corporate governance principles and practices;
(c) act as the national coordinating body responsible for all matters pertaining to corporate governance in the private, public and not-for-profit sectors of the Nigerian economy;
(d) encourage sound systems of internal control and information systems control to safeguard stakeholders’ investment and assets of public interest entities;
(e) promote sound financial reporting and accountability based on true and fair financial statements duly audited by competent independent Auditors; and
(f) ensure that audit committees of public interest entities keep under review the scope of audit and its cost effectiveness, the independence and objectivity of the auditors.

Though its implementation has been suspended[21] and could be resuscitated at any time, the Code covers in scope the following: charitable (shelter, human rights, youth empowerment, para-military, philanthropic etc) educational (primary, secondary, tertiary, child care center etc), professional and scientific group religious (church, mosque etc), literary/artistic (art gallery, art theatre etc), political/administrative groupings (political parties, political observers, chambers of commerce etc), social and recreational clubs and associations and trade unions.

The compliance framework for the code is set at “comply with the provisions of this code or justify noncompliance” with it provisions covering board matters, functions of the board of trustees, governing board, management committee, position of founder or leader, role of chairman of governing board, role of chief executive officer, role of organisation secretary, role of organisation treasurer, executive directors, non-executive directors, appointment and removal of directors, directors induction and development, remuneration of the executive director board and directors evaluation, duty of

20 - https://www.financialreportingcouncil.gov.ng/
care, duty of loyalty, duty of obedience and mission fulfilment, role of board committees, accounts and audits, organisations assets, commercial activities, role of external auditors, whistle blowing framework, stakeholder relations, accountability and transparency, role of regulators, corporate governance evaluation and communication policy. The Comply or Explain framework means that reporting entities are given a set of standards to follow, but they’re not mandated to comply with everything.

4.2 Fundraising and Use of Resources

While the ultimate goal of a civil society organisation is not to make profits, like any business activities, they need funds to realize their vision and mission. Funding for the sector comes through donation (gifts, grants, individual giving, tax exemption and subsidies) and revenue from the product or services of the operation (charging fees or price on products or services, consultancies, membership fees).

Income from donations contributes a huge chunk of the resources that comes to CSOs and can come in the form of donor organisations, corporate support, individual, government and planned giving. CSOs, forming a separate sector in an economy, distinguish themselves from organisations in public sector and those in business sector with tax being the most noticeable distinction.

The tax exemption status enjoyed by CSOs in Nigeria is regulated by:
- Federal Inland Revenue Service (Establishment) Act, 2007
- Companies and income Tax Act (CITA) 2007
- Personal Income Tax Act
- Capital Gains Tax Act
- Value Added Tax Act 1993
- Value Added Tax 2007 (As Amended)
- Tax and Levies (Approved list for collection) Decree No. 21 1998

4.2.1 The Federal inland Revenue Service (Establishment Act), 2007

Establishes the FIRS as an agency of government in charge of powers of assessment, collection of, and accounting for revenues accruable to the Government of the Federation with the objective of “control and administer the different taxes and laws specified in the First Schedule or other laws made or to be made, from time to time, by the National Assembly or other regulations made thereunder by the Government of the Federation and to account for all taxes collected.”

4.2.2 Tax and Levies (Approved list for collection) Decree No 211998

Subject to the provisions of the Constitution of the Federal Republic of Nigeria, 1999, the Taxes and Levies (Approved List for Collection) Act 1998 No. 21 (“Approved List of Taxes Law”) is the most comprehensive and authoritative legislation on taxes that can be collected by each level of government—i.e., federal, state, or local government—in Nigeria.

4.2.3 Companies Income Tax

Section 23(1)(c) of CITA, exempts the profits of any statutory, charitable, ecclesiastical, educational, or other similar associations from companies’ income tax, provided that such profits are not derived from any trade or business carried on by such organization or association. Examples of income exempted includes subscription fees by members, donations, grants, zakkat, offerings, tithes, funds realized from launchings and other similar kinds.

Profits derived from sale of goods or merchandise, provision of consultancy, professional or other services for a fee
and Investment Income such as interest, rent, royalty, dividend or similar income are subject to companies’ income tax.

The payer of these income to the NGOs has the obligation to deduct Withholding tax (WHT) from the payments as stipulated in the WHT regulations. The NGOs also have an obligation to deduct WHT on contracts awarded to suppliers and contractors and remit same to the relevant tax authorities.

Section 25 of CITA provides tax relief to any company making donations to an organization listed under the fifth schedule to CITA, such donation must be made out of its profits for that year of assessment and the total donation shall not exceed 10% of the total profits of the company for the said year of assessment.

Donation is not of capital nature, except where the donations are made to universities or other tertiary or research institutions and should not exceed 15% of total profits or 25% of tax payable.

Section 55(1) of CITA mandates every company in Nigeria including CSOs to file annual tax returns. A tax return comprises:

1. An audited accounts, tax and capital allowances computations and a true and correct statement in writing containing the amounts of its surplus from each and every source computed;
3. Particulars as may be required in form with respect to profits, allowances, reliefs, deductions required.
4. A declaration to be signed by a trustee, director, secretary or any authorized person of the organization that the information contained in the return is “true and correct”.
5. The period for filing returns shall be as stipulated in the relevant tax laws.

To be able to fulfil these obligations, NGOs are expected to register for tax purposes and obtain Taxpayer Identification Number (TIN) including register for tax at the designated FIRS’ medium tax offices (MTOs) in their respective geo-political regions.

4.2.4 Personal Income Tax Act

Section 19(1) of PITA exempts profits of any organisation engaged in ecclesiastical, charitable, benevolent or educational activities of a public character from income tax, provided that such profits are not derived from a trade or business carried on by the organisation however income of individual promoters and employees NGOs are not exempt from tax.

The following incomes are liable to personal income tax:

1. Emoluments of promoters (from all sources – including the NGO)
2. Fees, other remuneration or benefits-in-kinds paid to trustees and guarantors.
3. Salaries or other remuneration of employees.

NGOs are required, under the PAYE obligation, to deduct tax at source from salaries and other emoluments of employees, directors, officers, etc.

4.2.5 Capital Gains Tax

Section 26 of the Capital Gains Tax Act exempts gains from the disposal of chargeable assets of NGOs where:

1. the gains are not derived from the disposal of any assets acquired in connection with any trade or business carried on by the organisation;
2. the gains are applied purely for the purpose of the activities of the organisation.

4.2.6 Value Added Tax Act 1993 and 2007

VAT On goods purchased by NGOs for use in humanitarian donor-funded projects is at zero rate under the value added tax act.

The NGO itself is not exempted from VAT where the organisation procures contracts or purchases goods that are not directly used in humanitarian donor-funded projects. Likewise, any service procured or consumed by NGO
is liable to VAT, except where such service is exempted under the VAT Act. NGOs should charge VAT on all taxable goods and services supplied and remit same to the FIRS as and when due.

Where an NGO procured goods or services from persons not liable to charge VAT or from non-resident suppliers, it should self-account for the VAT and remit same to the FIRS. VAT returns should be filed with FIRS, on or before the 21st day of the month following that in which the purchase or supply was made.

4.2.7 Finance Act 2020

The Finance Act 2020 (“FA 2020”) was passed by the National Assembly and signed into law by the President on 31 December 2020. The FA 2020 which came into effect from 1 January 2021 compliments the 2021 Federal Government’s Budget of Economic Recovery and Resilience, anchored on the following key objectives:

- Adopt appropriate counter cyclical fiscal policies to respond to the economic and revenue challenges.
- Reform extant fiscal policies to prioritize job creation, economic growth and social economic development and domestic revenue mobilization.
- Provide fiscal relief for taxpayers.
- Propose measures to fund the Federal Government’s COVID-19 pandemic as well as any similar crises in the future.
- Ensure coordination of fiscal, monetary and trade policies; and
- Reform the Fiscal Responsibility and Public Procurement Acts.

Further to this, the law has the following implication for CSOs:

(i) Amendment to Personal Income Tax

Individuals or persons in employment who earn monthly income not exceeding the national minimum wage (currently N30,000 per month) have been exempted from Personal Income Tax. By implication, these individuals should no longer be subject to the monthly PAYE deduction. This amendment also protects many SMEs from PAYE compliance obligations in respect of their employees who earn monthly income of N30,000 or less.

Section 37 and para 33 of the Third Schedule of PITA have been amended to exempt from Personal Income Tax, any persons earning the national minimum wage or less from any employment. Section 108 defines this as the extant national Minimum Wage pursuant to National Minimum Wage Act.

(ii) Implications:

Employees who earn not more than the National Minimum Wage (currently N30,000) are no longer liable to tax or deduction of monthly PAYE.

(iii) Life assurance as an allowable deduction

Section 33(3) reinstates the relief by way of deduction for the premium paid by an individual to an insurance company in respect of insurance for his life or that of his spouse or contract of deferred annuity for his own life or that of his spouse in the preceding year of assessment.

This provision was previously removed by the Finance Act 2019, perhaps in error, but has now been reinstated. Individuals can now continue to claim tax reliefs on premium payments on their life assurance or that of their spouse.
(iv) Pension contributions
Section 20(1)(g) of PITA has been amended to specifically limit tax relief for pension contributions only to schemes, provident or retirement benefits fund that are recognized under the Pension Reform Act (PRA) 2014.

(v) Implications
Any pension contribution made into a scheme not recognized under the PRA 2014 will not qualify for tax deduction. Individuals who contribute to foreign schemes will not be able to claim a deduction in Nigeria for such contributions. Employers should ensure that only contributions to approved pension schemes under the PRA are treated as an allowable deduction on payroll.

(vi) Review of Penalties
Every company, including a company exempted from tax, is required to maintain books of accounts in English language for a minimum period of six (6) years after the year of assessment in which the income relates. Failure to provide documents on request by the FIRS is liable to a penalty of N100,000 in the first month of default and N50,000 in each subsequent month the failure continues.

4.2.8 Money Laundering (Prohibition) Amendment Act (MLPA) 2011 and the Terrorism (Prevention) Amendment Act (TPA 2011)

Since the events of 9/11, governments world over though the Financial Action Task Force have led global efforts to combat terrorist financing and money laundering through its 40 recommendations, 11 immediate outcomes and mutual evaluations (peer review) that have introduced and assessed common standards. This process led to the enactment Money Laundering Prohibition Act [22].

Under the Act

(1) NPOs are required to file cash-based transactions for cash transactions in excess of $1,000 or its naira equivalent (as stipulated under Section 5 of the Money Laundering Prohibition Act):

Before embarking on any transaction of the value of $1,000 USD or its equivalent, NPOs are required to conduct KYC on the customer using the customer’s identity records with photograph and send these records to SCUML within 7 days of the transaction (CBTR).

Non-compliance attracts a fine of 250,000 (relatively).

(2) NPOs are to file Currency Transactions Reports - CTRs (as stipulated under section 10 of the Money Laundering Prohibition Act) to SCUML of any single transaction:

Lodgment or transfer of funds in excess of 5 million naira or its equivalent in the case of an individual or 10 million naira in the of body corporate within 7 days from the date of transaction via SCUML online reporting platform on the SCUML Website: www.scuml.org

(3) Consequences of Non-Disclosure
Liable to a fine of not less than N250,000 and not more than N1 million (relatively).

How to file a Cash/Currency Transaction Report Download the template from the SCUML website on https://scuml.org/scuml/index.php/downloads/dnfis-reporting-template/item/12-ctr-cbt-online-reporting-template-for-all-the-dnfis-sector

All Cash Based Transaction Reports (CBTR) and Currency Transaction Reports (CTR) should be forwarded to info@scuml.org and a copy also sent to the respective SCUML Zonal office email address where your organization is located.

NPOs must conduct KYC (know your customers) or CDD (customer due diligence) before commencement of any credible relationship/transaction. CDD or KYC simply means the act of performing background checks on the beneficiary or sponsors to ensure they are risk assessed of ML and TF before being on-board, especially on international payments relating to NPO programmes. These are necessary because organisations could ignorantly receive donor funds from people whose aims are basically to launder funds, finance terrorism or maybe cause some kind of mayhem.

For the purposes of this regulation, civil society organisations are required to register with SCUML via an online application process at www.scuml.org. The incentive to register is the ability to use banking services or open a bank account.

4.2.9 National Financial Intelligence Unit ACT, 2018
The Nigerian Financial Intelligence Unit (NFIU) [23] is the central national agency responsible for the receipt of disclosures from reporting organisations, the analysis of these disclosures and the production of intelligence for dissemination to competent authorities.

The NFIU is an autonomous unit, domiciled within the Central Bank of Nigeria and the central coordinating body for the country’s Anti-Money Laundering, Counter - Terrorist Financing and Counter-Proliferation Financing (AML/CFT/CPF) framework. NFIU works in coordination with SCUML to regulate the NPO sector on issues of AML/CFT.

4.2.10 Customs and Exercise Management Act 2004
While gifts are a source of income for civil society, it can come in the form of charitable giving or donations from overseas such as medical equipment’s, shoes, books, laptops etc. Such goods would require shipping (charitable shipping or shipping charitable goods).

In order to ensure applicable taxes are exempted and that the goods reach the final beneficiary, the customs have a role in managing and regulating the process. Depending on the type of good being shipped there are co-regulatory processes that apply.

Within the charitable shipping process, exemptions are granted by the Federal Ministry of Finance, Budget and National Planning on tax waivers, and duties however a registration with the National Planning Commission is a pre-requisite including evidence of tax payment with the Federal Inland Revenue Service and registration with the Corporate Affairs Commission.

4.2.11 National Lottery Act 2005 and 2007
Lotteries and raffles are an alternative source of funding for the activities of civil society organisations globally. Lotteries are emerging in the sector in Nigeria.

The National Lottery Act defines “lottery” or “lotteries” includes any game, scheme, arrangement, system, plan, promotional competition or device for the distribution of prizes by lot or chance, or as a result of the exercise of skill and chance or based on outcome of sporting events, or any other game, scheme, arrangement, system, plan, competition or device, which the President may by notice in the Gazette declare to be lottery and which shall he operated according to a licence.

CSOs interested in raising funds through lotteries (Charity Lotteries [24]) will have to register with the Lottery Commission and be guided by the Act.

[23] https://www.nfiu.gov.ng/
4.3 Human Resources

The greatest asset of a civil society organisation are its people—staff. Human Resources (HR) is the function that deals with managing this most important asset—the people who do the work.

Though HR policies must follow local law as well as donor requirements, it should reflect an NGO’s own mission, vision, and values. Employee benefits—various types of non-wage compensation provided to employees in addition to their normal wages or salaries [25] -- A number of Nigerian Government regulations touch on employee benefits as follows:

1. National Health Insurance Scheme Act 2004
2. Employee Compensation Act 2010
3. Nigeria Immigration Act 1963
6. Industrial Training Fund Act 2011
8. Pension Reform Act 2014

4.3.1 National Health Insurance Scheme Act 2004

The scheme provides for the “ensuring access to good health care services to every Nigerian and protecting Nigerian families from financial hardship of huge medical bills, and for matters connected therewith”. The Part V, section 16 of the Act requires:

1. An employer who has a minimum of ten employees may, together with every person in his employment, pay contributions under the Scheme, at such rate and in such manner as may be determined, from time to time, by the Council.

2. An employer under the Scheme shall cause to be deducted from an employee’s wages the negotiated amount of any contribution payable by the employee and shall not, by reason of the employer’s liability for any contribution (or penalty thereon) made under this Act, reduce, whether directly or indirectly, the remuneration or allowances of the employee in respect of whom the contribution is payable under this Act.

Section (17). Registration: employers and employees

1. Subject to such guidelines and regulations as may be made under this Act, an employer under the Scheme shall register itself and its employees under the Scheme and pay into the account of a designated health maintenance organisation, its contributions, and the contributions in respect of its employees, at such time and in such manner as may be specified, from time to time, in guidelines issued by the Council.

2. An application for the registration of an employer under the Scheme shall be made in such form and manner as may be determined, from time to time, by the Council.

3. A person not liable to pay contributions under this Act may apply to be registered as a voluntary contributor under the Scheme and shall, after being so registered, be liable to pay the specified contributions as required under this Act and be entitled to the health services referred to in subsection (1) of section 18 of this Act.

The Act defines “employee” means any person who is ordinarily resident in Nigeria and is employed in the service of the Federal, State or local government in a civil capacity or in any of the public services or under a contract of service or an apprenticeship with an employer whether the contract is expressed or implied, oral or in writing.

It also defines “employer” means an employer registered under the Scheme and includes the Federal, State, or local government or any Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wages or salaries of the employee including the lawful representative, successor, or assignee of that person.

And “wage” means remuneration in money paid to an employee under his contract of service or apprenticeship, as the case may be; and whether agreed to be paid at fixed or determined intervals of time-

(a) in respect of normal period of work performed by the employee; or
(b) where payment is calculated in relation to-
   (i) set tasks, in respect of the number of tasks completed by the employee; or
   (ii) the volume of work completed by the employee, in respect of the volume completed by the worker, but does not include any allowance paid by the employer to the employee whether in respect of cost of living or otherwise howsoever.

Given that civil society organisations are employers and pay wages, the National Health Insurance Scheme Act 2004 is worth considering for nonprofits having up to 10 staffs in its employment. The use of the word may in the Act makes it nonbinding.

The new NHIS Amendment Bill is seeking to make the Scheme and the Sub-National Schemes mandatory. It has not been assented to by the President and has to go back to NASS.

### 4.3.2 Employee Compensation Act 2010

The Employee Compensation Act 2010 makes provisions for compensations for any death, injury, disease, or disability arising out of or in the course of employment. The cardinal objectives of the Act is to “provide for an open and fair system of guaranteed and adequate compensation for all employees or their dependants for any death, injury, disease or disability arising out of or in the course of employment”. Under the Act:

**Section (12)** “No employee shall agree with his employer to waive or to forego any benefit or right to compensation to which the employee or the dependants are or may become entitled under this Act”.

**Section (13)** “Any agreement in whatever form between the employer and the employee in contravention of sub-section (1) of this section shall be void and unenforceable”.

Contributions under the scheme are paid directly by the employer and is expected within 2 years of the commencement of the Act. Section 33.— (1) Every employer shall, within the first 2 years of the commencement of this Act, make a minimum monthly contribution of 1.0 per cent of the total monthly payroll into the Fund.

Employers are barred from deducting the contributions from their employees according to Section 14.— (1) No employer shall, either directly or indirectly, deduct from the remuneration of an employee any part of a sum which the employer is or may become liable to pay into the Fund established under section 56 of this Act, or to require or permit the employee to contribute in any manner towards indemnifying the employer against a liability which the employer has incurred or may incur under this Act.

After the initial minimum compensation contribution is paid, contributions are then assessed as stipulated in Sections 34:
The Board shall assess employers for such sums in such manner, form and procedure as the Board may, from time to time, determine for the due administration of this Act.

(2) Assessments shall, in the first instance, be based upon estimates—
(a) of the employer’s payroll for the year provided under section 41 of this Act; or
(b) as determined by the Board under section 43 of this Act.

(3) The Board may, by order, establish a minimum assessment.

35.— (1) Payment of any assessment made under section 33 of this Act shall be due on the 1st January in the year for which it relates.

(2) The Board may provide for the payment of the amount of assessment by instalment, in which case the assessment for the year is payable on the dates determined by the Board.

36.— (1) The Board shall have a cause of action for any unpaid assessment and shall be entitled to the costs of any action to recover the unpaid assessment.

(2) If, for any reason, an employer liable to assessment is not assessed by the Board, the employer shall be liable for the amount for which the employer should have been assessed, or as much as the Board considers reasonable, and payment of that amount may be enforced as if the employer had been assessed for that amount.

Section 39.— (1) Every employer shall—

Records and Reporting

(a) keep, at all times at some place in Nigeria, the location and address of which the employer has given notice to the Board, complete and accurate particulars of the employer’s payrolls.
(b) cause to be furnished to the Board—

(i) when the employer becomes an employer within the scope of this Act, and
(ii) at other times as required by any regulation made by the Board of general application or any decision of the Board limited to a specific employer, an estimate of the probable amount of the payroll of each of the employer’s industries within the scope of this Act, together with any further information required by the Board; and
(iii) provide signed copies of reports of the employer’s payrolls, not later than the 31st December in each year or at such other times and in the manner required by the Board.

The Act defines:

“employee” as a person employed by an employer under oral or written contract of employment whether on a continuous, part-time, temporary, apprenticeship or casual basis and includes a domestic servant who is not a member of the family of the employer including any person employed in the Federal, State and Local Governments, and any of the government agencies and in the formal and informal sectors of the economy.

“employer” includes any individual, body corporate, Federal, State or Local Government or any of the government agencies who has entered into a contract of employment to employ any other person as an employee or apprentice.

The Act is implemented by Nigeria Social Insurance Trust Fund Management Board

4.3.3 National Housing Fund Act 1992

The National Housing Fund Act aims to facilitate the mobilisation of Fund for the provision of house for Nigerians at affordable prices, ensure the constant supply of loans to Nigerians for the purpose of building, purchasing and improvement of residential houses among others. The Act requires contribution by Nigerian workers earning an income of 3,000 Naira, Section 4 of the Act:
A Nigerian worker earning an income of N3,000 and above per annum in both the public and the private sectors of the economy shall contribute 2.5 per cent of his basic monthly salary to the Fund.

An interest rate of 4 per cent shall be payable on contributions made under subsection (1) of this section.

Section 23 grants exemption from payment of income tax. The Fund and the refund of any contribution made under this Act shall be exempted from payment of income tax.

Section 9 provides information on deductions by employers from monthly salary of workers.

1. An employer who has in its employment an employee earning a basic salary of N3,000 and above per annum shall deduct 2.5 per cent of the monthly salary of that employee as the employee’s contribution to the Fund.

2. The amount deducted pursuant to subsection (1) of this section shall be remitted to the bank within one month of the making of the deduction.

Section 17 allows for refund to a contributor after retirement from office, etc.

Any contributor who has not obtained a housing loan from the bank and has—

a) attained the age of 60 years; or

b) retired from his employment and becomes incapable of continuing the contribution to the Fund as specified in this Act, shall be eligible to a refund of his contribution within three months of the application at the rate of interest prescribed by the Minister.

For non-compliance, Section 20 stipulates a range of punishments:

1. An employer who—

a) fails to make deductions from the basic salaries of his employees as required by this Act; or

b) deducts any sum of money from the basic salaries of his employees for the purpose of the Fund and fails to remit the money so deducted to the bank, is guilty of an offence under this Act.

2. A person guilty of an offence under subsection (1) of this section is liable on conviction, in the case of—

a) a body corporate, to a fine of N50,000; and

b) National Housing Fund Act CAP. N45 N45 – 6 [Issue 1]

3. A self-employed person who fails to make deductions or deducts and fails to remit to the bank any money due to the Fund is guilty of an offence under this Act and liable on conviction to a fine of N5,000 or to imprisonment for a term of five years or to both such fine and imprisonment.

4. A person who prevents or obstructs the deduction or remittance of the contribution due to the bank under this Act is guilty of an offence and liable on conviction to a fine of N5,000 or to imprisonment for a term of one year or to both such fine and imprisonment.

5. The institution of proceedings or imposition of a penalty under this section shall not relieve any employer or self-employed person from liability to pay to the bank the money deducted by him for the purpose of the Fund.

In the Act “worker” means an employee to whom salaries are paid and includes a self-employed person who derives income from his employment. By this definition, the law has implications for civil society organisations.

4.3.4 Industrial Training Fund Act 2011 [26]

The Industrial Training Fund (Amendment) Act 2011 was signed by the president on 3 June 2011 and recently gazetted but dated 22 June 2011.

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The amendment has a commencement date of 3 June 2011. Minimum threshold for an employer to become liable under scheme has been reduced from 25 employees to a minimum of 5 or annual turnover of N50 million.

Required contribution is 1% of payroll to be paid by the prescribed date defined in respect of year 2011 to mean a date not later than 3 months from the date of commencement of the amendment, that is, 3 September 2011; and in respect of every subsequent year, means a date not later than 1 April of the following year.

“Payroll” has now been defined to mean the sum total of all basic pay allowances and other entitlements payable within and outside Nigeria to any employee in an establishment, public or private.

“Employees” means all persons whether or not they are Nigerians employed in any establishment in return for salary, wages or other consideration, and whether employed full-time or part-time and includes temporary employees who work for periods of not less than thirty days (previously 3 months in a year).

Maximum refund now 50% (previously 60%) of the amount paid by an employer subject to the training programme of the employer being in accordance with the Fund’s reimbursement schemes.

Action for recovery of contributions under the Act may now be instituted by agents of the Fund on behalf of the Director-General. Contributions include underpayment and any interest or penalty payable for late payment[27].

Civil society organisations interested in consultancies with the Federal Government or applying for expatriate quotas are required by the Act to contribute to the Fund as stipulated by Section 6 (3) of the Act.

4.3.5 Nigeria Immigration Act 1963 [28]

The Nigeria Immigration Act 1963 grants the Minister of Interior the powers to approve expatriate quotas to foreigners wishing to come into the country to carry out any permanent work. International NGOs are more likely to require expatriate quotas that local ones.

The expatriate quota application in Nigeria immediately comes after the registration of an entity in Nigeria by any foreigners seeking to migrate to Nigeria to carry out any permanent work.

Subsequent to a successful application of the Expatriate Quota in Nigeria, the business would be in a position to process a Subject to regularization (STR) Visa for its expatriates, which will enable such expatriates to get the mandatory Combined Expatriate Residence Permit and Aliens Card (CERPAC) that will allow them to live and work in Nigeria [29].

The expatriate quota in Nigeria is actually the approval granted by the Minister of Interior Affairs to indigenous or foreign-owned companies to allow them to employ or perhaps recruit foreign employees or perhaps directors of the company to legitimately work and live in Nigeria.

Every business that wishes to employ a foreigner is actually expected to get the Expatriate quota approval before processing the work permit, which is

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also known as the Combined Expatriate Residence Permit and Alien Card (CERPAC). The Expatriate Quota doesn’t automatically grant CERPAC except that it might serve as a short-term stay during the pendency of an application to renew the CERPAC.

**ECOWAS CITIZENS**

It is important to be aware that Regulations 11 of the 2017 Immigration Regulations exempts member states of the Economic Community of West African States (ECOWAS) from obtaining CERPAC, provided that the citizens of member countries shall register with the service as nationals of ECOWAS.

**EXPATRIATE QUOTA GRANT**

The grant of Expatriate Quota depends largely on the nature, duration, and relevance of the place to be held by the expatriate. Nevertheless, the Federal Ministry of Interiors currently issues Expatriate Quota for a period of three years. The application for renewal can be made upon the expiration of the quota.


Volunteers are the lifeblood of civil society organisations. But for volunteers, many organisations would not be able to conduct their activities, implement programs, raise funds or even provide some services.

Largely Board members of civil society organisations serve as volunteers. There are more volunteer executive directors in the sector than paid.

Implemented by the Nigeria National Volunteer Service (NNVS) whose function is to "developing appropriate policies and legislations to outline the rights and responsibilities of volunteers as well as standards on volunteer recruitment/selection, management and support" the National Policy on Inclusive Volunteering 2020–2024 aims to strengthen Nigeria’s communities by promoting and fostering opportunities for citizens to volunteer their ideas, talents and skills towards sustainable development.

The Policy envisages that by 2024, volunteerism would be encouraged, supported, and recognized by all Nigerians. It provides policy and strategic guidelines for different stakeholders: government, business sector, not-for-profit sector, and the broader volunteering sector.

The policy provides guidelines on rights of volunteers which includes right to payment of out of pocket-expenses including transport allowance. It further highlights mechanisms for monitoring implementation including penalties for non-compliance.

4.4 Accounting and Financial Management

A good financial management system is derived through sound financial procedures policy. An organisations financial procedures policy lays down procedures for ensuring that resources are put to use properly.

Internal controls are one of the key pillars of good financial management and is a system of common-sense controls, checks and balances designed to manage internal risk and safeguard the organisation’s money, equipment, and other financial assets.

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30 - National Policy on Volunteering
The purpose of internal controls is to minimize losses, such as through theft, fraud, corruption, bribery, or incompetence. An effective internal control system also protects staff, an organisation’s most important asset. Few national regulations impacting the operations on nonprofits in this context are:

4.4.1 Guideline on the Management of Dormant Accounts and Other Unclaimed Funds by Banks and Other Financial Institutions in Nigeria [31].

Given the implication of dormant accounts to the operations of civil society organisations and its connection to the Part F of the Companies and Allied Matters Act, Section 845, mandating banks to inform the Commission of a body corporate’s dormant account, the provisions of the Central Bank’s definition and guidelines on dormant account should guide nonprofits in the operations. The Guide provides directives on the definition and standardization of dormant accounts in Nigeria in line with international best practices.

4.4.2 Good Financial Grant Practice Standard/Nigeria Industrial Standard

This Nigerian Industrial Standard is identical adoption of the African Standard Organisation (ARSO) ARS1651(E):2018 Good Financial Grant Practice – Requirements. This standard was adopted by the National Mirror/Technical Committee on Financial Services.

The adoption of this standard was necessitated to standardize, simplify, and strengthen the financial governance of grant funding between the grantors and grantees. The document will further ameliorate the cost of multiple audits and financial assessments that grantees have from different grants as well as the risk of corruption.

The African Standard ARS 1651(E):2018, therefore assumes the status of Nigerian Industrial Standard NIS ARS1651 (E):2018

The objective of this standard on Good Financial Grant Practice (GFGP) is to standardize, simplify and strengthen the financial governance of grant funding. For grantors, they can use the standard as a minimum requirement for their grantees.

For grantees, they can claim compliance with this standard to support applications for grants from grantors. This standard establishes a consistent approach to the management of grants throughout the grant life cycle, for the benefit of grantors and grantees.

This standard is designed to codify and provide requirements on established good practice. It is a quality standard and not an accounting standard. The GFGP standard provides a common framework for how grantees shall financially manage grants. It provides details of the requirements, specifications, and criteria to be applied, to implement good financial grant practice.

The tiers are cumulative from bronze through to platinum. For an organization to achieve silver compliance, it will be required to comply with all the requirements within the bronze and silver tiers. For an organization to achieve gold compliance, the organization will be required to comply with all the requirements within the bronze, silver and gold tiers.

To achieve platinum compliance, organization will be required to comply with all the requirements in this standard. The four tiers have been designed to encourage grantees to progressively strengthen their financial grant practices as their organization develops.

This standard addresses the seven principles of good financial grant practice, which are:

1. Accountability.
2. Stewardship.
3. Compliance to standards.
4. Transparency.
5. Viability.
6. Integrity; and
7. Consistency

In turn, these principles are supported by four key pillars of good financial grant management, which, if correctly applied, will provide the evidence to support compliance with good financial grant practice. These are:

1. Internal controls
2. Record keeping
3. Planning
4. Monitoring

Implementation of the Standard which is certification scheme is by the Standard Organisation of Nigeria (SON) and it is voluntary.


The Financial Reporting Council (FRC) of Nigeria is a federal government agency established by the Financial Reporting Council of Nigeria Act, No. 6, 2011. It is under the supervision of the Federal Ministry of Industry, Trade, and Investment.

The FRC is responsible for, among other things, developing and publishing accounting and financial reporting standards to be observed in the preparation of financial statements of public entities in Nigeria, and for related matters.

The authority of FRC to issue a National Code of Corporate Governance derives from various sections of the FRC Act No. 6, 2011 viz: • Section 7(2)(a) enforce and approve enforcement of compliance with accounting, auditing, corporate governance, and financial reporting standards in Nigeria.

• Section 50(d) on behalf of Council, the Directorate of Corporate Governance shall act as the national coordinating body responsible for all matters of corporate governance. • Section 51(c) issues the code of corporate governance and guidelines and develops a mechanism for periodic assessment of the code and guidelines.

External audit functions relating to the activities of CSOs are regulated by FRC. Since audit reports are part of the statutory requirements for filing annual returns with the Corporate Affairs Commission and the Federal Inland Revenue Service, the Act has implications for the operations of civil society organisations in the country when it comes to the standard for audit reports.

A code of corporate governance, released in 2016 was suspended [33] following controversies around its implementation. Information on the code is covered in details above.

4.4.4 Independent Corrupt Practices and other related offences Act 2000

As with every sector, the civil society sector is not immune to fraud and corruption issues. When issues of corruption happen in an organisation reputation, future funding, and ability to advance vision and mission is affected.

Largely nonprofits are expected to as part of their financial management policies have in polices policies against corruption, fraud and also a gift policy.

32 - https://drive.google.com/file/d/0BxB1-bqcIt35OU1UOFFIaWZaUU0/view?resourcekey=0-smyI6gRhCICW2y9r8_8nDQ
The Independent Corrupt Practices and other related offences Act 2000 further reinforces the prevention “Where reasonable grounds exist for suspecting that any person has conspire to commit or has attempted to commit or has committed an offence under this Act or any other law prohibiting Corruption, to receive and investigate any report of the conspiracy to commit, attempt to commit or the Commission of such offence and, in appropriate cases, to prosecute the offenders”.

The Act provides for offences and penalties, investigation, seizure and arrest. The scope of the Act covers corporate bodies which is defined as “Corporate body” means any legal entity artificial or otherwise recognized by the companies and Allied Matters Act or created under the authority of law in Nigeria. By this definition, the law has implications for the civil society sector in its efforts to prevent and report fraud, graft, bribery and corruption within its operations.

4.5 Technology and Communication

Citizens and citizen organisations work during a period when technology is driving the interdependence that characterises the quest for change. Computers, mobile connectivity, applications, internet are shaping the way civil society organisations address their vision and mission in ways that bring out solutions and opportunities for growth.

Internet and digital technologies are rapidly transforming the way organisations deliver change across Nigerian communities. Technologies such as artificial intelligence (AI), machine learning (ML) and big data will change the way civil society organisations carry out their business, given the volume of data generated by the sector.

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4.5.1 Nigeria Data Protection Regulation 2019

The Nigeria Data Protection Regulation (NDPR) is a regulation issued by the National Information Technology Development Agency (NITDA) specifically to prescribe the minimum data protection required for the collection, storage, processing, management, operation, and technical control of personal data in Nigeria [34].

It is the most far-reaching data law passed in Nigeria, imposing stringent conditions on companies and stringent penalties on defaulters.

The objective of the regulation is to safeguard the rights of natural persons to data privacy, foster safe conduct for transactions involving the exchange of personal data, prevent the manipulation of personal data and ensure that Nigerian businesses remain competitive in international trade through the safeguards afforded by a sound data protection regulation.

The regulation applies to all storage and processing of personal data conducted in respect of Nigerian citizens and residents. The Nigerian Data Protection Regulation introduces new restrictions on collection and processing of personal data and requires such activities be in accordance with a lawful purpose consent by the data subject.

The NDPR regulation requires that data controllers and data processors engage a Data Protection Compliance Organisation (DPCO) to perform a data protection audit and file a report with

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34 - Enhancing Digital Rights Report by NNNGO
NITDA within the stipulated timeline, designate a data the organisation, document and publish, a protection officer who will be responsible for driving NDPR compliance initiatives within data protection policy in line with the requirements of the data protection regulation, ensure continuous capacity building/training for data protection officer and other personnel involved in processing personal data.

When linked with the European Union General Data Protection Regulation (GDPR) which by extension have implications for the work of nonprofits. The GDPR defines personal data as “any information relating to an identified or identifiable natural person.” It applies to any organisation that collects the data of EU residents, irrespective of whether payment is required.

As soon as personal data of an EU resident is collected, it triggers the GDPR -- and the associated fines for non-compliance regardless of a company’s location. For example, if an EU resident signed up for your newsletter because they were interested in your research, course or programs and you send them information material, then the GDPR applies to you.

For civil society data protection is essential. Clearly, organisations within this space must comply with data protection policies either with the NDPR or the EU-GDPR. Anecdotal evidence suggests that very few civil society organisations are aware of the impact of NDPR or GDPR to their operations.

As already noted, civil society organisations were not the targets of regulators (NITDA or EU regulators) and it could take some time for the NDPR which was issued in 2019 to establish the regulatory mechanism to enforce the policy, nonprofits especially those critical of government could be a target of implementation if and when this is done.

Civil society organisations collect a lot of personal data such as names, addresses, emails, telephone numbers, website addresses, social media handles and posts. These data are mostly collected from beneficiaries, staff, volunteers, donors, vendors, board and individuals who are only interested in receiving information (newsletters) about what your organisation does.

In developing the NDPR, it is clear that the regulators were not thinking about nonprofits, their primary target seem to be companies in the business of collecting data however a further analysis of the broad scope of the rules capture almost any organisation who touches or processes data.

According to the regulation, data controller dealing with more than 10,000 beneficiaries and defaults to the provision of the regulation shall be liable to payment of the fine of 2% of its annual gross revenue of the preceding year or payment of 10 million naira, whichever is greater.

Where the data controller deals with less than 10,000 beneficiaries, such controller is liable to a payment of the fine of 1% of its annual gross revenue of the preceding year or payment of the sum of 2 million naira.

In essence, civil society organisations must approach data collection with care while ensuring that anyone visiting their organisation’s website, attending their events or doing business with them regardless of where they come from will be protected as required by the NDPR or GDPR. Board and management must work together to review and raise organisational awareness on data protection, what
data the organisation collects, where they are stored and how to protect them including seeking informed consent for various use of data collected and processed.

4.5.2 The Nigerian Cybercrime (Prohibition, Prevention ETC.) Act 2015

Cybercrime is defined as crimes in which a computer is the object of the crime or is used as a tool to commit an offence. Offenders may use computer technology to access personal or commercial information or use the internet for exploitive or malicious purpose.

The Nigeria Cybercrime Prohibition Act provides an effective, unified and comprehensive, legal, regulatory and institutional framework for the prohibition, prevention, detection, prosecution and punishment of cybercrimes in Nigeria.

This act also ensures the protection of critical national information infrastructure and promotes cybersecurity and the protection of computer systems and networks, electronic communications, data and computer programs, intellectual property, and privacy rights.

The Cybercrime Act 2015 makes provision for identity theft with the punishments of imprisonment for a term of 10 years or a fine of not less than #20 million or to both fine and imprisonment. Depending on the nature of the offence and the act carried out by the accused persons. Offences include, amongst others: producing, procuring, distributing and possession of child pornography.

The Cybercrime Act also makes provision for Outlaws cyber-stalking and cyber-bullying and prescribes punishment ranging from a fine of not less than #2 million or imprisonment for a term of not less than 1 year or to both fine and imprisonment up to a term of not less than 10 years or a fine of not less than #25 million or both fine and imprisonment depending on the severity of the offence.

The Nigerian Cybercrime Act 2015 gives the President the power to designate certain computer systems, networks, and information infrastructure vital to the national security of Nigeria or the economic and social well-being of its citizens, as constituting Critical National Information Infrastructure and to implement procedures, guidelines, and conduct audits in furtherance of that.

The Cybercrime Act also prescribes the death penalty for an offence committed against a system or network that has been designated critical national infrastructure of Nigeria that results in the death of an individual (amongst other punishments for lesser crimes).

Under the Cybercrime Act 2015 in Nigeria, hackers if found guilty, of unlawfully accessing a computer system or network are liable to a fine of up to #10 million or a term of imprisonment of 5 years (depending on the purpose of the hack). The same punishment is also given out to internet fraudsters who perpetuate their acts either by sending electronic messages or accessing and using data stored on computer systems.

Nigerian Cybercrime Act 2015 prohibits cybersquatting, which is registering or using an internet domain name with bad faith intent to profit from the goodwill of a trademark belonging to someone else, or to profit by selling to its rightful owner. Individuals who engage in this are liable on conviction to imprisonment for a term of not less than 2 years or a fine of not less than #5 million or both fine and imprisonment.
The Cybercrime Act mandates that service providers shall keep all traffic data and subscriber information having due regard to the individual’s constitutional right to privacy and shall take appropriate measures to safeguard the confidentiality of the data retained, processed, or retrieved. The act forbids the distribution of racist and xenophobic material to the public through a computer system or network (e.g., Facebook and Twitter).

It also prohibits the use of threats of violence and insulting statement to persons based on race, religion, colour, descent or national or ethnic origin. Persons found guilty of this are liable on conviction to imprisonment for a term of not less than 5 years or a fine of not less than #10 million or to both fine and imprisonment.’

The act also allows for interception of electronic communication by way of a court order by a Judge where there are reasonable grounds to suspect that the content of any electronic communication is reasonably required for the purposes of a criminal investigation or proceedings.

The act specifically creates child pornography offences, with punishments of imprisonment for a term of 10 years or a fine of not less than #20 million or to both fine and imprisonment depending on the nature of the offence and the act carried out by the accused persons. Offences include amongst others: producing, procuring, distributing and possession of child pornography. The misuse, virus, malware, email and social media hacks/extortion to website and identity theft.

With the growing influence of civil society organisations and the huge amount of resources they mobilise in support of the vulnerable in communities across the country attractive targets of cyber-criminals.

Cyber-crime is multi-faceted involving human factor hence organisations need to ensure that they are cyber-security proof with appropriate controls and mechanism in place.

Faced with low resources (operating on very tight budget) and the use of free software applications including the use of volunteers for their IT services, making them particularly vulnerable as IT staff juggle responsibilities to keep the office systems running with less time to focus on security, civil society organisations need to protect themselves from online threats by prioritising skills development and training needs to combat cyber-attacks.

Cybercriminals, however, are relentlessly focused on finding their way into computer systems through system vulnerabilities, circumventing established safeguards or by social engineering (tricking) employees into unwittingly disclosing sensitive information. Awareness of cyber-crime among its human resources must be prioritised. Ignoring the risks associated with cyber-crime could lead to damages – financial loss, reputational damage and ability to operate.

Civil society organisations hold sensitive data about people, staff, board, volunteers and more, it is important to keep this information safe and secure from cyber-attacks. Nonprofits depend on external organisations, individuals, or volunteers for their IT services from website designs, email setup to management. Increasingly, they depend on digital technology to deliver on their vision and mission.

Like businesses, civil society organisations are relying on technology and are falling victim to a range of malicious cyber activity. Losing access to this technology, having funds stolen or suffering a data
breach through a cyber-attack can be devastating, both financially and reputationally.

Cybercriminals, however, are relentlessly focused on finding their way into computer systems through system vulnerabilities, circumventing established safeguards or by social engineering (tricking) employees into unwittingly disclosing sensitive information.

Awareness of cyber-crime among its human resources must be prioritised. Ignoring the risks associated with cyber-crime could lead to damages – financial loss, reputational damage and ability to operate.

Civil society organisations have flagged Section 24 and 38 of the Act as problematic. Section 24 is seen as cyber stalking and has been repeatedly used to harass and persecute journalists and critics.

It is arguably the most dangerous provision against freedom of speech, opinion, and inquiry according to digital rights experts. Section 38 provides the duties of a service provider vis-a-vis data retention and contains provisions that are vague and borderline unconstitutional.

The constitutionality of the provisions of the Act has been challenged by 3 organisations ((Media Rights, Paradigm Initiative and Enough is Enough) in the court with both the Federal High Court (January 20, 2017) and Appeal Court (June 22, 2018) ruling that the sections were constitutional.

In a concurring judgement however, one of the Justices of the appellate court agreed that the law should be reviewed to whittle-down its arbitrariness. The organisations have approached the Supreme Court asking the court to agree with them on removing the sections from the ACT in its entirety.

5.0 Dissolution

Dissolution: The Corporate Body formed under the Act can only be dissolved by the court upon petition brought for that purpose by the governing body or council or one or more trustees or members of the association constitution not less than 50 per cent of the total membership or the Commission.

The grounds for such dissolution includes meeting the aims and objects of the body corporate; organisation is formed to exist for a specified period and that period has expired and it is not necessary for it to continue to exist; that the activities of the association have become illegal or contrary to public policy; it is just and equitable in all circumstances to be dissolved and the certificate of registration of the association has been withdrawn, cancelled or revoked by the Commission.

Upon dissolution, a company limited by guarantee must transfer any property remaining after the discharge of all its debts and liabilities to another company limited by guarantee with similar objects, or must apply the remaining property to some charitable object.

The company or charity receiving the property must be determined by the members prior to dissolution. None of the property remaining after a company limited by guarantee discharges its debts and liabilities may be distributed among its members[35].

Similarly upon dissolution, an association with incorporated trustees

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35 - CAMA 2020, Section 26(15)
must transfer any property remaining after the satisfaction of all debts and liabilities to other institutions having similar objects.

These institutions will be determined by the members of the association at or before the time of dissolution. No property may be paid to or distributed among the members of the association (CAMA Section 850(4)). If, for some reason, the remaining property cannot be transferred to institutions with similar objects, the remaining property will be transferred to “some charitable object” (CAMA Section 850(5)).[36]

The Company Regulations 2021 provides further note:

“This is an important notice and should not be ignored. The company named has applied for striking off from the Register and dissolved.

Please note that on dissolution all property and rights whatsoever vested in or held on trust for the company immediately before its dissolution, including leasehold property (but not including property held by the company on trust for any other person) shall, subject and without prejudice to any order which may at any time be made by the Court under section 691 or 692 of this Act, be deemed to be vested in the State without further assurance, as bona vacantia”.

6.0 Laws Regulating CSOs

6.1 Child’s Right Act 2003

Under the Child Rights Act a Community home can be provided by a voluntary organisation but either the State Government or voluntary organisation can, by the instrument of management be responsible for the management, equipment and maintenance of the home.[37]

A Minister can discontinue the use of such premises designated as community homes if it appears to the Minister that any premises used for the purposes of a community home is unsuitable for those purposes; or the conduct of a community home is not in accordance with regulations made by him or is otherwise unsatisfactory.[38]

A voluntary organisation which has provided or is managing a controlled or an assisted community home shall not cease to provide or manage the home unless it has given to the Minister and the appropriate authority specified in the instrument of management of the community home not less than two years notice in writing of its intention to do so.[39]

The State Government specified in the instrument of management of a controlled or an assisted community home may give to the Minister; and the voluntary organisation which provided the home, not less than two years notice in writing of its intention to withdraw its designation of the home as a controlled or an assisted community home[40].

The Child Rights Act also provides that no person shall establish or manage a voluntary home unless the home is registered in a register to be kept for the purposes of this section by the Minister.[41]

Every State Government has the duty under the CRA to satisfy itself that any voluntary organisation which provides accommodation for a child within the State; or outside that State on behalf of the State, satisfactorily safeguards and promotes the welfare of the child welfare it provides with accommodation.

Pursuant to this, an officer of the State Government may enter, at any reasonable time, and inspect any premises in which children are being

36 - https://www.cof.org/country-notes/nonprofit-law-nigeria
37 - Child Rights Act Section 186
38 - Ibid, Section 187
39 - Ibid, Section 189
40 - Ibid, Section 190
41 - Ibid, Section 192
accommodated or inspect the children in those premises; and require any person to furnish him with such records of a kind required to be kept by regulations under the CRA[42]. The CRA further provides that no child shall be cared for or provided with accommodation in a children’s home unless the home is registered which will be kept by the Minister[43].

A home is a children’s home under the CRA if it provides, or usually provides or is intended to provide care and accommodation wholly or mainly for more than three children at any one time.

A person who, without reasonable excuse, cares for and accommodates a child in a children’s home or who manages a children’s home which is not a registered children’s home, commits an offence, and is liable on conviction to a fine not exceeding ten thousand naira or imprisonment for a term not, exceeding six months, or to both such fine and imprisonment[44].

**Inspection of children’s home, etc., by authorised persons**

A person authorised by the Minister may inspect, from time to time, any children’s home; or premises in which a child who is being cared for by an appropriate authority is living; and other specified premises, facility or school related to the care and protection of children[45].

The Minister may make grants to a voluntary organisation towards expenditure incurred by it in connection with the establishment, maintenance or improvement of voluntary homes which, at the time when the expenditure was incurred were assisted community homes, or were designated as assisted community homes[46].

An application for registration of Voluntary organisations shall be made to the Minister by the person intending to carry on the home to which the application relates[47].

The Minister can, at any time, cancel the registration of the home and remove it from the register where at any time it appears to the Minister that the conduct of a voluntary home is not in accordance with regulations made under the CRA or is otherwise unsatisfactory[48].

A person who, without reasonable excuse, carries on a voluntary home in contravention of the CRA Act; or a condition to which the registration of the home is for the time being subject commits an offence and is liable on summary conviction to a fine not exceeding one thousand naira[49].

Where the Minister registers a home under this paragraph, or cancels the registration of a home, he shall notify the State Government within whose State the home is situated[50].

An application for the registration of a children’s home shall be made by the person carrying on, or intending to carry on, the home; and to the Government of the State in which the home is, or is to be, situated.
The relevant State Government shall, at the end of the period of twelve months beginning with the date of registration, and annually thereafter, review its registration to determine whether the registration should continue in force or be cancelled.

Similarly at the sub-national level where the States have enacted the Child Rights Laws similar provisions for registration and supervision of voluntary homes and children’s homes by the Commissioner are in force[51].

6.2 Violence Against Persons Prohibition Act 2015

Any voluntary association registered with CAC with the objective of protecting the rights and interests of victims of violence by providing legal aid, medical, financial or other assistance must also register with the State Government as a service provider under the VAP Act[52].

The appropriate Government Ministry is expected under the VAP Act to then keep a register of all accredited service providers and circulate same to all police stations, protection officers and courts[53].

Once registered the service provider has the power to record the violence incidence report and forward a copy to the Magistrates and Protection officer with jurisdiction where the violence took place; get the aggrieved person medically examined and forward a copy of the medical report to the Protection officer and police station within the locality where the violence took place; ensure that the aggrieved person is provided shelter in a shelter home if required[54]; and no suit or legal proceeding shall lie against any such service provider acting in good faith[55].

7.0 Laws Relevant to Registration and Governance of BMOs – Including Key Professional Associations

7.1 Nigerian Cooperative Societies Act (NCA) 2004

7.1.1 Registration of Cooperative Societies:

As mentioned in the earlier chapter on Formation, Section 2 of the NCA provides that Societies may be registered as a co-operative society under this Act by the Federal or State Director of Cooperatives, if it is a limited liability society; and has as its objects the promotion of the socio-economic interests of its members in accordance with co-operative principles, and established for the purpose of facilitating the operation of those principles.

A primary society requires at least ten persons qualified for membership as a condition for membership, while an industrial society requires a minimum of six persons and is ‘economically viable’[56].

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51 - Lagos State Child Rights Law 2007, Section 180
52 - Violence Against Persons Prohibition Act 2015, Section 40(1)
53 - Ibid, Section 40(2)
54 - Ibid, Section 40(3)
55 - Ibid, Section 40(4)
56 - Nigerian Cooperatives Act 2004, Section 3 (1),(2)
A secondary society requires a minimum of five registered societies and a Federal apex society needs a minimum of five registered State apex societies as a condition for registration [57].

Upon registration under the NCA the society shall be a body corporate by the name under which it is registered, with perpetual succession and a common seal; vested with power to- (i) hold movable and immovable property of any description; (ii) enter into contracts; (iii) institute and defend suits and other legal proceedings; and (iv) do all things necessary for the purpose of its constitution [58].

7.1.2 Governance:

The affairs of a registered society shall be administered and managed by a committee appointed by the members for that purpose [59].

The registered society has the power to make byelaws for such things as are necessary or desirable for the purpose for which the society is established including: area of operation; qualifications and the extent of liability of members, withdrawal and expulsion of members; fund raising and investments; disposal of annual surplus [60].

7.1.3 Exemptions under the NCA:

By virtue of the NCA the registered cooperative society enjoys significant exemption from stamp duties chargeable under the Stamp Duties Act for all instruments executed by or on behalf of the society and from registration fees payable under any law, relating to registration of instruments throughout the Federation.

The society is also exempted from payment of tax under section 26 of the Companies Income Tax Act [61].

The Society further is exempted from compulsory registration of any instrument relating to shares in the registered society; or certain debentures issued by the registered society; or any endorsement upon or transfer of a debenture issued by the society; or a charge created in favour of the registered society by a member of that society in respect of a produce of his agriculture or his land [62].

7.1.4 Distribution of Surplus:

The registered society shall not pay a dividend or bonus or otherwise distribute any part of its net surplus until the proposal payment or distribution has been approved by the committee of the Society.

In addition, at least one fourth of the net profits of the cooperative as ascertained by the audit report, shall be paid into a fund to be called the "reserve fund" which shall be applied as specified in the NCA, but the Director may in case of any registered society of limited liability grant, from time to time, exemptions from further contributions to the reserve fund, or reduce the rate and may at any time revoke the exemption or reduction [63].

After that the cooperative society may, with the approval of the Director, contribute an amount not exceeding ten per cent of the remainder of the net surplus to an education fund [64].

Wilful neglect or refusal to comply with these provisions of NCA makes the society, officer, or member guilty of an

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57 - Ibid, Section 3(3)
58 - Ibid, Section 6(1)
59 - Ibid, Section 6(2)
60 - Ibid, Section 11(1)(2)
61 - Ibid, Section 20
62 - Ibid, Section 21
63 - Ibid, Section 34(1)(2)
64 - Ibid, Section 34(3)
offence and liable on conviction to a fine of N1,000 or to imprisonment for a term of six months or to both such fine and imprisonment[65].

In the case of a society of unlimited liability, no distribution of the net surplus shall be made without the approval of the Minister or Commissioner, as the case may be[66].

7.1.5 Offences:
Misapplication of the property of the registered society by any person, as well as any wilful neglect or refusal to furnish information for the annual audit, or furnishing false information knowingly or disobedience of any summons, requisition or order made an auditor towards the annual audit, by any officer, agent, servant or member of the society is guilty of an offence and liable on conviction to a fine of not less than N1,000 or to imprisonment for a term of six months or to both such fine and imprisonment[67].

7.1.6 Inquiry:
The Director of cooperatives has the power, on the application of a simple majority of the members of the committee, or of not less than one-third of the members of the registered society to hold an inquiry or direct any other person authorized by him in this behalf, by order in writing, to hold an inquiry into the constitution, working and financial state of a registered society.

7.1.7 Award of Costs:
The Director can, by a certificate under his hand and seal, make an award apportioning the costs, as he may think right, between the registered society, the members demanding an inquiry, the officers or former officers of the society, and the creditor, if any, on whose application the inquiry was held.

The costs shall be recoverable in the same manner as a fine imposed by any court having jurisdiction over the person or body against whom the award is made.

7.1.8 Take-over of Management:
Further, if the inquiry proves that the committee of the registered society is inefficient, the Director may, for the purpose of resuscitating the society, take over the management of its affairs for a period of two years after which the management shall be returned to the committee[68].

7.1.9 Cancellation, Dissolution & Winding up of the Society:
The Director may, by order in writing, cancel the registration of a primary society if, at any time, it is proved that the number of the members of the society has been reduced to less than ten or in the case of an industrial society, to less than six. Also, if the Director, after holding or making an inquiry or conducting an inspection or on receipt of an application made by not less than three fourths of the members of the registered society, is of the opinion that the society ought to be dissolved, he may make an order in writing for the cancellation of the registration of the society.

Only an order of the Director or of a court can wind up a registered society. The NCA stipulates that no person, other than a registered society, shall trade or carry on business under any name or title of which the word “Cooperative” is part without the sanction of the Director. Any person who contravenes this is guilty of an offence and liable on conviction to a fine not exceeding N50 and in the case of a continuing offence to a further fine not exceeding N5 for each day during which the offence continues[70].

Restriction of Certain Enactments:
The application of certain enactments on registered cooperative societies are restricted by virtue of NCA [71]:

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65 - Ibid, Section 34(4)
66 - Ibid, Section 34(5)
67 - Ibid, Sections 35, 36(5)
68 - Ibid, Section 37
69 - Ibid, Section 38
70 - Ibid, Section 54
71 - Ibid, Section 55
provisions of the Money Lender’s Law of a State shall not apply to a society registered under this Act;
provisions of the Arbitration and Conciliation Act shall not apply to any matter referred to an arbitrator under the provisions of this Act;
provisions of the Pawnbrokers Law of a State shall not apply to

7.2 Chartered Institute of Taxation of Nigeria (CITN) Act 1992

The Act was established to regulate members of the profession and establishes the Chartered Institute of Taxation of Nigeria charged with the general duty of (inter alia) determining what standards of knowledge and skill are to be attained by persons seeking to become registered members of the taxation profession and reviewing those standards, from time to time as circumstances may require; securing the establishment and maintenance of a register of fellows, associates, graduates and student members of the Institute and the publication from time to time, of lists of those persons; and regulating and controlling the practice of the profession in all its ramifications;[72]

The Institute has fellows, associate members; and graduate members and is governed by a 27-person Council from the public sector, academia and elected by the Institute.

The Council has the power to do anything which in its opinion is calculated to facilitate the carrying on of the activities of the Institute[73].

A Disciplinary Tribunal and Investigating Panel is also established by the CITNA and where a person registered under this Act is adjudged by the Tribunal to be guilty of infamous conduct in any professional respect; or a person is convicted, by any court or Tribunal in Nigeria or elsewhere having power to award imprisonment, of an offence (whether or not punishable with imprisonment) which in the opinion of the Disciplinary Tribunal is incompatible with the status of a member of the Institute; or the Tribunal is satisfied that the name of any person has been fraudulently enrolled or registered, the Tribunal may, if it thinks fit, give a direction reprimanding that person or ordering the Registrar to strike his name off the relevant part of the register[74].

7.3 Institute of Chartered Accountants of Nigeria (ICAN) Act 1965

The Institute of Chartered Accountants of Nigeria (ICAN) was established to determine what standards of knowledge and skill are to be attained by persons seeking to become members of the accountancy profession and to raise those standards from time to time as circumstances may permit; secure the establishment and maintenance of the

[72] - Chartered Institute of Taxation of Nigeria (CITN) Act 1992, Section 1
[73] - Ibid, Sections 5
[74] - Ibid, Section 13
7.4 The Nigerian Institute of Management (Establishment) Act, 2003

The Nigerian Institute of Management was also established as a body corporate and charged with the general duty of determining what standards of knowledge and skill are to be attained by persons seeking to become members of the management profession and raising those standards from time to time as circumstances may permit; securing the establishment and maintenance of registers of members and the publication from time to time of a list of those members; regulating and controlling the profession of management in all its aspects and ramifications; and performing through the Council the functions conferred on it by the NIM Act[76].

A person shall be entitled to be enrolled or registered as a management practitioner if he passes the qualifying examination accepted by the Council and completes the practical training prescribed by the Institute under this Act; or he holds any other qualification accepted by the Institute for the time being; or he qualifies for enrolment as member in any of the categories specified under the NIM Act[77].

The Council is empowered to approve any institution and any course of training at an approved institution; any qualification which, as a result of an examination taken in conjunction with a course of training approved by the Council, is granted to candidates reaching a standard at the examination indicating in the opinion of the members of the Council that the candidates have sufficient knowledge and skill to practise the profession.

The Council may, if it thinks fit, withdraw any approval given under this section in respect of any course, qualification or institution[78].

The Professional Management Disciplinary Tribunal was also established with the duty of considering and determining any case referred to it by the Professional Management Investigation Panel also established by the NIM Act any other case of which the tribunal has cognisance[79].

7.5 Legal Practitioners Act 1975

The LPA establishes the General Council of the Bar in charge of the general management of the affairs of the Nigerian Bar Association and consisting of the Attorney General of the Federation (the President of the Council; the Attorneys-General of the States and twenty members of the Nigerian Bar Association[80].

The Legal Practitioners’ Disciplinary Committee is charged with the duty of considering and determining any case where it is alleged that a person whose name is on the roll has misbehaved in his capacity as a legal practitioner or should for any other reason be the subject of proceedings.

75 - Institute of Chartered Accountants of Nigeria (ICAN) Act 1965, Section 1
76 - The Nigerian Institute of Management (Establishment) Act (2003), Section 1
77 - Ibid, Section 8 (1)
78 - Ibid, Section 9 (1)(2)
79 - Ibid, Section 11(1)
80 - Legal Practitioners Act (1975), Section 1(1)
The Disciplinary Committee consists of the Attorney-General of the Federation, who shall be chairman; the Attorneys-General of the States in the Federation; twelve legal practitioners of not less than ten years’ standing appointed by the Benchers on the nomination of the Association[81].

Penalties for unprofessional conduct depending on the circumstances are: (i) ordering the Registrar to strike that person’s name off the roll; or (ii) suspending that person from practice by ordering him not to engage in practice as a legal practitioner for such period as may be specified in the direction; or (iii) admonishing that person, and any such direction may, where appropriate, include provision requiring the refund of moneys paid or the handing over of documents or any other thing as the circumstance of the case may require[82].

### 7.6 Nigerian Bar Association

NBA is established as Registered Trustees with the following Objects:

1. Maintenance and defence of the integrity and independence of the Bar and the Judiciary in Nigeria;
2. Promotion and advancement of Legal Education, Continuing Legal Education, Advocacy and Jurisprudence;
3. Improvement of the system of administration of justice, its procedures, and the arrangement of court business and regular law reporting.

A full member of the Association shall be any person duly enrolled at the Supreme Court of Nigeria as a legal practitioner and registered with a Branch of the Association.

The statutory powers of the General Council of the Bar as provided pursuant to the Legal Practitioners Act, CAP L11, Laws of the Federation of Nigeria, 2004 (“Legal Practitioners Act”), shall not include: Any control over the budget or finance of the Nigerian Bar Association; The power to appoint representatives of the Association to any Statutory, Executive/Judicial, or other bodies;

### 7.7 Business Associations

#### 7.71 Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA)

NACCIMA was established in 1960 and is the umbrella organization for all the various affiliate member chambers within the country. NACCIMA’s membership is voluntary and it encompasses City, State and Bilateral Chambers, Business / Professional Association and Corporate Bodies.

It advocates for public policies that promotes course of business and free enterprise. NACCIMA is a foundation member of the Federation of West African Chambers of Commerce which is the common platform for economic players in the West African region covered by the Economic Community of West African States (ECOWAS). NACCIMA is also a member of the International Chamber of Commerce (ICC) and the African Chambers of Commerce.

58 Member chambers from all over the country are listed on the official NACCIMA website[83].

The National Association of Small and Medium Enterprises (NASME) was established in 1996 to help in coordinating and promoting MSMEs in Nigeria. There is no sectorial restriction so businesses from all sectors can become members of this organisation.

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81 - Ibid, Section 10
82 - Ibid, Section 11
83 - https://www.naccima.com/membership/member-chambers.html
The Nigerian Association of Small Scale Industrialists (NASSI) has existed since 1978 with branches in every State and four zonal offices. Its members are business owners who are manufacturing, mining, processing and service delivery as well as businesses that have their capital investment in the small scale industry. NASSI aims to create and foster the exchange of ideas relevant to the development of SMEs in Nigeria; act as intermediary between government, government institutions, NGOs and SMEs among other aims.

NASSI has two main groups: i) Service Group Activities; ii) Manufacturing and Mining Processing Group.

NASSI has a women’s wing that encourages female entrepreneurs.

The Association of Small Business Owners of Nigeria (ASBON) was established to provide assistance to SMEs in Nigeria and ensure their growth. It acts as an intermediary between SMEs and Federal Government and provides access to government support for its members.

7.7.2 Securities and Exchange Commission (SEC) Code of Conduct Shareholders Associations:

A Code made pursuant to Section 8(y) of the Investments and Securities Act (ISA) 1999 to make provisions for the conduct of members of Shareholders’ Associations during general meetings of public companies and their relationship with public companies outside the general meetings and for other purposes connected there with.

This Code of Conduct is intended to ensure the highest standard of conduct amongst association members and the companies with whom they interact as bona fide shareholders.

The Code is designed to ensure that association members uphold high ethical standards and make positive contributions in ensuring that the affairs of public companies are run in an ethical and transparent manner and also in compliance with the Code of Corporate Governance for public companies.

Code of Conduct provides for the establishment and membership of Shareholders’ Associations[84]:

(a) A body of not less than 50 shareholders of public companies may be established for the purpose of advancing the interest of its members and influencing the standard of corporate governance to optimize shareholders’ value.
(b) Such a body of shareholders shall be registered with the Corporate Affairs Commission with not less than 5 persons as trustees.
(c) Membership of a Shareholders Association shall be open to all shareholders on a voluntary basis.
(d) The Association shall have a constitution or bye-laws which shall govern the operation and membership of the Association.

7.7.3 Trade Unions Act 1973

"Trade union" is defined in the Trade Unions Act as any combination of workers or employers, whether temporary or permanent, the purpose of which is to regulate the terms and conditions of employment of workers, whether the combination in question would or would not, apart from this Act, be an unlawful combination by reason of any of its purposes being in restraint of trade, and whether its purposes do or do not include the provision of benefits for its members[85].

The fact that a combination of workers or employers has purposes or powers other than the purpose of regulating the terms and conditions of employment of workers shall not prevent it from being registered under this Act; and accordingly, subject to the provisions of this Act as to the application of funds for political purposes, a trade union may apply its funds for any lawful purpose for the time being authorised by its rules,

84 - Securities and Exchange Commission (SEC) Code of Conduct Shareholders Associations, Section 1
85 - Trade Unions Act (1973), Section 1
8.0 Perception of Civil Society to Regulations

NNNGO consulted with the civil society community on statutory and self-regulation [87] for six months holding online and in-person consultations to hear more (and re-validate what we have heard previously between 2016 and 2018) about what nonprofit organisations think regarding statutory regulation and self-regulation, using the following guiding questions to spark a healthy debate:

**What new forms of laws would you like to see for civil society?**

**How can we develop a governance code that can drive nonprofit self-regulation in the country?**

From 2019 June, NNNGO launched its official in-person and online consultation process which ran until November, consisting of one-day, 25-84 person workshops in 5 States, 3 days curated Whatsapp group conversation with 153 organisations, feedback were also received through the email nnngo@nnngo.org, moderated discussion boards on the NNNGO website at www.nnngo.org and Facebook @nnngo. 225 organisations from 26 States attended the workshops focused on nonprofit regulations.

**We documented the following responses from the consultation:**

"So much has been said about regulating the sector which people feel it’s a no-go area because we have to remain the third force where we can engage freely and push for reforms in government. It is also critical that we should also self-regulate so that we can say this is our minimum standard for which we know we will not compromise"

"We have to find a law that helps us to ensure that our relationship with government and its agencies are managed properly in the best interest of nonprofits"

"We need a body that can manage all the activities of nonprofits so that we will be able to know who is doing what and at what point in time"

"We do not need any law, there is no law that we need that we do not already have. What we need is implementation"

"I agree that we need to amend some certain laws for example those on taxes"

"We have to think about how CSOs can make themselves accountable and there has to be some coordination mechanism for this"

Of all the statutes, the Companies and Allied Matters Act has received the attention of civil society and civil society organisations the more following its passage in August 2020.

Following the various comments for and against some sections of the Act drawing considerable attention from the media, civil society sector, the private sector, and public alike, the Nigeria Network of NGO sought to better understand how citizens and citizens-led organisations are interpreting the law, by engaging different stakeholders in the nonprofit sector and collated their opinions on shaping the future of nonprofit regulation through the Part F of CAMA [88].

86 - Ibid, Section 11
87 - National Consultation & Input on Nonprofit Regulation: Statutory and Self-Regulation
88 - What we heard on the Part F of CAMA
NNNGO engaged with its members across the country using structured questions sent to over 3,000 nonprofits on its database with a total of 217 responses received between August 13 and September 8, 2020. 27% of organisations responding spoke favourably about the law, 39% saw it as unfavourable, and 34% do not know what to make of the law just yet.

“We found a disproportionate understanding amongst our members on the implications of the new amendments to their work. While the new additions to the law are not unwelcomed, some seem to have little or no appetite for the law”.

Many respondents argued that the law is unfavorable, unfair, and has the propensity for abuse. The recurring theme, topic, or concern for those not in favour of the law centered around mistrust, government interference, desperate desire by government to regulate CSOs, calculated attempt to set limitations for accountability and rights based CSOs, smuggling of the NGO bill and its allied provisions, overbearing oversight, and civic space restrictions.

A structured questionnaire administered via the NNNGO database for the purpose of registration for a webinar hosted by the Network, themed “CAMA and its implications for Nigerian Nonprofits,” where intending participants were encouraged to provide their details to register and provide their thoughts on the question; “What do you perceive as implications of the amendments to CAMA for the Nigerian civil society?

The following relevant responses are reproduced:

"These amendments would help increase participation of Civil Society Organizations in policy making and good governance affairs in the country”.

"My understanding is that NGOs that engage in benevolent activities are exempted from the payment of tax, but when they engage in profitable investments, the profits earned are taxable”.

"The civil society space surely has to be properly regulated (to prevent fraud, terrorism financing, and so forth). And there are adequate checks and safeguards in the recent amendments to ward off abuse of power and oppression. Where the checks fail, I believe the courts would do the needful to quash the oppressive provisions”.

"The desperate desire by the government to regulate CSOs has been passed in a law and this will bring about unnecessary government intervention in the Civic Space. This is also a deliberate attempt to shrink the civic space”.

"Civil society is an essential partner in the effective implementation of the new beneficial ownership transparency commitments, provided for in the same new CAMA Act. If these provision causes overall mistrust of the new law and the CAC, this could have consequences for how the beneficial ownership implementation occurs”.

"As CSOs we are a strong arm to the government, if the new amendment is not to our favour, then the federal government will have the blame, our job is to help better the society”.

"Our lawmakers subtly smuggled the NGO regulation bill into the CAMA. The implications of the amendments are the NGOs will now be at the whims and caprice of the Government”.

"The administrative burden would impact on the number of CSOs who will continue services to the vulnerable. And the adverse effect will not be palatable”.

"These amendments would help increase participation of Civil Society Organizations in policy making and good governance affairs in the country”.
This section of the review provides information on laws at the sub-national level affecting civil society organisation. Generally, the laws and policies mapped were not publicly available however their existence have been confirmed and by validated by some of the reports reviewed for this research principally the “report of the survey on sub-national civil society regulatory trends.

As far as possible data reviewed covered the 36 states of the Federation including Abuja and was collected through secondary data and addition data gathering through survey administered to civil society organisations in Abuja, Adamawa, Gombe, Imo and Oyo. We applied our review to existence of legislation at the Local Government Level.

One limitation of this section of the report is the lack of adequate data that evidenced by public availability of laws and policies guiding the regulation of civil society at the sub-national level. This is largely owning to the fact that this is a new area of work for civil society organisations and networks in the State. Unlike the national level where regulatory conversations have advanced, sub-national realities around sectoral regulations have meant that state-level discussions are not rife.

Table 2 below provides a summary of the State of play in other parts of the country as it relates to the nature of civil society regulation at the State level. We tracked 9 states during our review, largely sector specific regulations covering civil society organisations working in the areas of women empowerment, youth development and children including those performing social service functions were seen across the 26 States of the Federation. Registration at the local government is retained largely for youth clubs and associations at the community level including landlord resident associations.

9.1 Borno State Agency for Coordination of sustainable Development and Humanitarian Response (BACSDAHR)

In its present form the only State with a registration process for NGOs is Borno operating under the Borno State Agency for Coordination of sustainable Development and Humanitarian Response (BACSDAHR)[89]. Though the law setting the agency up is no publicly available on its website the agency wrote:

Borno state Agency for Coordination of sustainable Development and Humanitarian Response (BACSDAHR), was established in 2019, as part of the government strategy to harmonize and coordinate government and humanitarian/development partners’ activities and programming to align with the recovery, stabilization, nd development plans of the state.

The law establishing the agency was signed by His Excellency, ENGR. Prof. Babagana Umara Zulum MNI, FNSE., the Executive Governor of Borno State on 11th December 2019. BACSDAHR is saddled with the responsibility of formulating policies, guidelines and programmes to enhance efficiency and streamline activities of humanitarian and development partners with the state’s development plan.

Frameworks and strategies for oversight functions, coordination and monitoring of the activities of all

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humanitarian and developmental partners, including international and national non-governmental organizations (INGOs/NNGOs) and civil society/community-based organizations (CSOs/CBOs) operating in the state shall be established and implemented by the Agency.

Other functions of the Agency include the provision of leadership, ensuring enabling environment for cordial working relationship between all humanitarian and development partners (including INGOs, NGOs, CSOs and other stakeholders), as well as with the military and other security agencies operating in the state.

BACSDAHR will serve as the clearing house for all humanitarian and developmental partners and channel all information and documents relating to operations and planning to the appropriate government Ministries, Departments and Agencies (MDAs) responsible for implementation and/or partnerships.

The Agency will also develop and maintain a register of humanitarian and development partners, conduct regular review of the register to determine the consistency of periodic reports/information submitted by partners, and advise the state government on the activities of partners and the alignment of their programming with the state's development plan. Liaison services and support to all federal MDAs operating in the state will also be provided by the Agency.

Its functions include:

**Project Analysis Review & Approval**

We collect, analyze and review project/programme documents relating to humanitarian, stabilization and development efforts/response operations of partners and advise the State Government as appropriate. We also collate the annual work plans of all partners for documentation and analysis to ensure conformity with the State Development Plan and inclusion in the State Budget Plan.

The implementation of the work plans of development and humanitarian partners is subject to review and approval by the Agency, in line with the State Stabilization and Development Plan.

**State Data Management Center Maintenance**

We manage the state data center for the documentation of all development and humanitarian agencies including INGOs/NNGOs and CSOs/CBOs, their activities, project locations and other relevant information relating to their operations in Borno State.

**Issuing Certificates**

We issue certificates of recognition to partner organizations that successfully complete their registration with the agency. The certificate, issued upon completion of registration procedures, shall be conclusive evidence of authority to operate in specific location(s) or throughout the State as agreed between the Agency and the operating partner(s). The certificate is renewable every three (3) years, subject to satisfactory review of value addition and positive impacts of the activities of the organization on the lives of target populations and contributions to the development of the state.

**Policy**

We provide policy guidelines for INGOs/NNGOs and CSOs/CBOs to enable them to harmonize and align their activities with the State Development plan.

**9.1.1 BACSDAHR and Freedom of Assembly**

The activities of the agency are in violation of international principles and those associated with freedom of assembly. For example, the function of the agency around project analysis, reviews and approval places constraints on the purposes of an organization in a manner not allowed under international and regional law.
Such extensive involvement by the agency in the internal affairs of an organization places severe logistical and practical constraints on its ability to conduct activities independently and to associate more broadly.

Further, requiring an information for project approval is overly burdensome and occurs in violation of the second and third prongs of the Article 22 test, as such is neither necessary in a democratic society, nor in furtherance of one of the four clearly defined justifications. States employing a registration system must ensure that it is truly accessible, with clear, speedy, apolitical, and inexpensive procedures in place.

The UN Human Rights Committee has consistently found that mandatory registration of NGOs is not permitted under Article 22. While reserving tax incentives and other benefits for registered organizations may be appropriate, requiring registration violates the second and third prongs of the Article 22 test, as it is neither necessary in a democratic society, nor in furtherance of one of the four clearly defined justifications.

The Special Rapporteur on the rights to freedom of peaceful assembly and of association has confirmed that “the right to freedom of association applies equally to associations that are not registered” and has called a voluntary registration regime that permits unregistered associations to operate as the “best practice.

Requiring an organisation to have a certificate prior to operating violates core principles of international law, which forbid the freedom of association from being contingent on registration or legal entity status. The Study Group on Freedom of Association and Assembly in Africa agrees, stating, “States should not require associations to register in order to exist and operate freely.”

The activities of the agency will have implication for civil society in the State including the likelihood of this law being copied by other states.
Table 2: Nature of Civil Society Regulations at the State Level.

- Sokoto State Regulatory Policy on NGOs and Donor Partners - Legislation that resulted in the establishment of the office of NGOs, Human rights and Donor Agencies in Sokoto.

- The law demands NGOs, CSOs, CBOs, Clubs and Association in the state to register with the State Ministry for Social Development for them to operate legally in the state.

- According to the proposed law, projects identified by CSOs for implementation will require prior government approval. The implication here is that the government will be able to decide arbitrarily whether to approve or reject projects depending on whether they focus on issues that they consider harmless or sensitive. In addition, the text of the proposed legislation states that CSOs will be required to provide “additional information” as requested by the Board during registration but does not clarify what this “additional information” would be. Such “additional information” could potentially be any kind of documentation, including some that CSOs may not possess at the time of registration.

- Nasarawa state laws on registration of non-governmental organizations and business names in the state.

- The Ministry for Women Affairs regulates all Civil Society Organizations in the State, and they make sure the CSOs are operating according to specifications.

- It’s in the Social Welfare Ministry on eligibility for registration of CSOs – they monitor and regulate CSOs.

- The State Ministry of Gender and Social Development has an established law (Children and Young Persons Law, Cap. 21, 2004) under which all civil society organizations with operational focus in Enugu State are registered.


- Enugu State Citizens Rights and Mediation Centre Law, Cap 45, 2000; Administrator General /Public Trustees, CAP 5 Laws of Enugu State 2004 mandate CSOs and NGOs especially those working on justice reforms and human rights issues to identify with the Ministry in the form of registration.

- There was an attempt by the Enugu State House of Assembly to propose for an NGO Regulation Bill in 2019 during the heat of debate for the nationwide attempt by the National Assembly Abuja but it was later resisted by the Civil society community in Enugu State and the intent was withdrawn.
9.2 Edo State Directive on CSOs

On October 6, 2021, a directive signed by the Edo State Government through the Secretary to the Federal Government reads:

SGA 735/18
October 6, 2021

PUBLIC ANNOUNCEMENT

It has come to the attention of Edo State Government that many Non-Governmental Institutions, Organizations and Groups are operating within the State without relevant registration certificates.

Government wishes to bring to the attention of the general public that the State Ministry of Social Development & Gender issues has been authorized to carry out the registration, supervision and monitoring of the operations of Creches, Children/Orphanage Homes, Elderly/Aged Person’s Homes, Non-Governmental Organizations (NGOs), Civil Society Organizations (CSOs) and Community Based Organization (CBOs), especially those with women and children.

Accordingly, all institutions, organizations and groups in the aforementioned category are hereby given up till 29th October 2021 to ensure compliance with Government’s directive above. In addition, institutions, organizations and Groups are required to present their evidence of registration, proof of annual renewal and annual/yearly activities reports to the State Enforcement Team which has been put in place to monitor and shut down defaulting organizations.

Consequently, facilities presently operating without relevant registration certificates are hereby advised to visit the State Ministry of Social Development and Gender Issues for proper guidance and registration/approval, to regularize their operations.

Osarodion Ogie Esq.,
Secretary to the State Government.
Office of the Secretary to the State Government

9.2.1 Edo State CSO Response

Civil society organisations have also pushed back. A statement[90] issued by the Conference of Non-Governmental Organisations in the state noted that “This instruction coming after the protest by civil society coalition against the decision of the Edo State Government to enforce forced vaccination on the citizenry of the state, makes the intention of government suspicious.

In their argument the Conference relied on Article 71 of the United Nations Charter which classifies Non-Governmental Organisations as entities that are independent of governmental influence.

Its activities address issues of the public good which could be at variance with the interest of government. It is in this context that the freedom of a civil society organ becomes inalienable and unnegotiable.

A lack of rigorous approach to policy making has resulted in sub-national governments’ adoption of regulations as default solutions rather than a means of last resort. While some of the national laws reviewed provided the basic minimum requirements for civil society regulations, recent events in Edo and Borno revealed regulations adopted by the states would result in

civil society organisations hiding their activities—having implications for effective self-regulation and increasing the risk of poor behaviour, discontinue operations or relocated to other states, continue to resist which would ultimately lead to the vulnerable paying the price of poor regulation.

If this finding is telling the civil society community anything, it is that civic space – an enabling environment for the activities of civil society organisations is shrinking more at the sub-national level and requires urgent attention. Opportunity for balancing risk with the need for regulatory frameworks that supports a stronger and more productive and diverse civil society sector with less red tapes abound across states through strategic engagement with governments and other critical stakeholders.

10.0 Self-Regulatory Frameworks in Nigeria

Nonprofits derive their legal status from statutory regulations as incentive, for attracting external funding and tax exemption, however they are not required to formally register if for the most part they do not need these incentives as their work is guaranteed under the freedom of association and assembly principles enshrined in the Nigerian constitution.

The responsibility for nonprofits to be organised, transparent and accountable in their operations is immense. This is exercised through sets of governing documents and policies expected to be enforced by a board or steering committee. Nearly all nonprofits have in place a system for holding itself accountable to its stakeholders. The effectiveness of this system has been a subject of technical, political, and scholarly discourse in recent times.

In the last 8 years nonprofits have come under strong criticism with regards to their accountability and impact given the growing trend of terrorism and the vulnerability of the sector to money laundering and terrorism financing necessitating a series of bills proposed by the National Assembly during the 7th and 8th Assemblies however, these bills met with opposition from the civil society sector leading to their eventual death.

Though these moves are a threat to civic space, in recent years, a few nonprofits have seen the increased legislative interest in nonprofit regulations as an opportunity to engage more meaningfully and to jump start conversations on what an ideal regulatory framework for the sector should be.

This study tracked self-regulation initiatives around the country and found that since 2017, the Nigeria Network of NGOs started documenting conversations on the nonprofit regulatory framework, and a shadow report developed [91] and have gone to hold carefully curated online and in-person consultations to gather thoughts, opinions, and voices of nonprofit organisations across the country on statutory regulation and self-regulation[92].

Early feedback gathered between 2017 and 2018 ranged from considered skepticism to cautious optimism, and raised fundamental questions about the purpose, scope, operationalization, and impact of regulations on the sector. In 2019, the feedback is now more on the optimism side, the question then is what does this optimism mean for nonprofit regulation?

92 - National Consultation Report on Statutory and Self-Regulation in Nigeria
In finding what the optimism means for nonprofit regulations, we tracked activities of civil society organisations in this regard. Our findings revealed that momentum on self-regulation continues to be sustained beyond rhetoric by donor support. For example, a National Technical Committee (NTC) CSO Self-Regulation is being supported by both EU-ACT and USAID SCALE and is expected to evolve a self-regulatory modality for interested civil society organisations. During 2 regional consultations held by the NTC in Kano and Lagos, the following self-regulatory initiatives surfaced:

10.1 Examples of Self-Regulatory Initiatives Identified in the Country

CSO representatives shared the following self-regulatory initiatives they see around the country:

10.1.1 Delta CSO Forum

About 150 civil society organisations in Delta State have come together to develop a code of conduct to guide their operations and handle ethical dilemmas. The Forum has also gone ahead to profile its members and their activities, voluntarily submitting this to security agencies in the State to ensure that they are known to the security apparatus.

10.1.2 Nigeria Network of NGOs

The Network has a code of conduct that its over 3,300 members voluntarily subscribed to at the point of registration helping to lay down strong cultural practices among its membership. A peer-review initiative among its members exists which sees member organisations in the same area visiting each other on an on-the-spot assessment using a nonprofit assessment checklist developed by the Network. Findings from the exercise are communicated to the Network secretariat where identified gaps are addressed through one-on-one mentoring and coaching with the members involved.

10.1.3 Civic Collective

A group of nonprofit Executive Directors (Medium and Large sized) meet virtually on a weekly basis (Tuesdays) to share lessons, challenges, tools, and experience including peer-reviewing each other on issues of governance, staff management, transparency, and accountability. After their 4 weekly meetings in a month, the following month is kept free of meetings in order for each member to address the identified gaps and challenges.

10.1.4 Nigeria Bar Association [93]

Guided by the Legal Practitioners Act (LPA), the intention of the law literally is to provide for the existence of lawyers and regulate the law profession through the regulatory bodies established thereunder. The Nigerian Bar Association was not established by this Act or any other law whatsoever, but the NBA is registered at the Corporate Affairs Commission as incorporated trustees.

The LPA was made pursuant to item 49 of the Exclusive Legislative List which provides for the power of the National Assembly to regulate professional occupations in Nigeria. And it is in exercise of this power that a governing Council (the General Council of the Bar) was established and charged with the general management of the affairs of the profession. What this means is that clearly, the LPA exists to govern the law profession through the Bar Council and other bodies established thereunder.

Section 1 of the LPA, LFN CAPII 2004 provides thus: There shall be a body to be known as the General Council of the Bar (in this Act referred to as “the Bar Council” which shall be charged with the general management of the affairs of the Nigerian Bar Association (subject to any limitations for the time being provided by the constitution of the Association) and with any functions conferred on the Council by this Act or that constitution.”

By the wording of this provision, at least two things are clear, i.e. that the General Council of the Bar is charged with a duty and that the NBA is a self-regulating association.

While the NBA model continued to be taunted throughout the self-regulation conversations during the Lagos and Kano consultations, two issues have emerged worthy of consideration and further analysis: 1) the infringement of the NBA model on the freedom of association [94] and 2) civil society is not a professional occupation

10.2 Hybrid CSO Model Self-Regulatory Framework

Six Self-Regulatory Modalities identified by the National Technical Committee on CSO Self-Regulation at a national consultation on self-regulation held in Abuja November 17, 2021, after the various regional consultation meetings with CSO sub-national networks in October and November 2021.

A hybrid model including elements of the following six models has been proposed for the sector in Nigeria:

- **WORKING GROUP**
  CSOs organise themselves to discuss their transparency and accountability, share best practices and direct new initiatives.

- **AWARDS**
  Given in recognition of achievement in transparency and accountability practices through a competitive process.

- **CODES OF CONDUCT/ETHICS**
  A set of standards which is defined and agreed on by a group of CSOs as a guide to their practices including governance, accountability, safe guarding & sexual harassment, diversity & inclusion policies etc.

- **INFORMATION SERVICES**
  A CSOs directory - Initiatives which require participating organisations to publish a specific set of required data that is relevant to accountability and transparency.

- **CERTIFICATION SCHEMES**
  Evaluate an organisation’s governance, programmes and practices against a set of standards and norms defined and established by a group of organisations and present a seal of certification or accreditation after proof of adherence.

- **SELF-ASSESSMENT**
  Provides framework for reflection about organisational trajectory.

11.0 Laws Significantly Impacting Citizen Participation, Access to Government Data, and Engagement in Policy and Governance Processes

11.1 Citizen Participation
Citizen participation -- an action or series of actions a person takes to involve themselves in affairs of government or community. Citizens participate in a number of ways which could either be in organisational or individual forms. Organisational forms include the formation of citizen groups or special interest groups-an element of civil society.

Individual forms are those associated with voting in local, state, and national elections, holding public office, running for office, campaigning for a candidate, lobbying for laws that of special interest demonstrating through marches, boycotts, sit-ins, or other forms of protest. The government has the responsibility to protect many rights for anyone who live in Nigeria.

The right to vote and be elected to public office is guaranteed under the Nigerian constitution of 1999 and the Electoral Act of 2010 [95] in which all citizens of Nigeria who resided in Nigeria at the time of voter registration were entitled to register as a voter.

The Nigerian Constitution guarantees the following rights :[96]

(4) The Government of a State shall ensure that every person who is entitled to vote or be voted for at an election to House of Assembly shall have the right to vote or be voted for at an election to a local government council… (Sec. 7)

11.2 Political Rights and Association
Every person shall be entitled to assemble freely and associate with other persons, and in particular he may form or belong to any political party, trade union or any other association for the protection of his interests:

Provided that the provisions of this section shall not derogate from the powers conferred by this Constitution on the Independent National Electoral Commission with respect to political parties to which that Commission does not accord recognition. (Sec. 40)

Section 45 however permits these rights to be restricted in the interests of defence, public safety, public order, public morality or public health, or to protect the rights or freedoms of others.

96 - https://constitutions.unwomen.org/en/countries/africa/nigeria?provisioncategory=6aff88bc986e4523897da60938c5815f
11.3 Peaceful Assembly as a Form of Citizen Participation

Freedom of peaceful assembly, freedom of expression and freedom of association are fundamental rights that form the foundations of democratic societies. They are at the heart of an active and free civil society, and they allow citizens to engage in issues that affect them.

Freedom of peaceful assembly enables individuals to express themselves as part of a collective, including by engaging in public marches, protests, pickets and demonstrations. Assemblies can be platforms to advocate for change and for people to raise awareness about the issues that matter to them, whether it relates to human rights or otherwise. Assemblies often also have symbolic importance, such as in commemorating particular events or marking significant anniversaries.

States have an obligation to ensure that the right to freedom of assembly is protected, including when those who assemble protest against public policies and challenge the State. The State cannot interfere with the right to peaceful assembly simply because it disagrees with the protesters’ views, and must ensure that the right is enjoyed equally by all groups, without discrimination on any ground [98].

Nigeria is a party to the 1998 Protocol on the African Court on Human and Peoples’ Rights but has not allowed the right of petition to the Court by individuals and non-governmental organisations.

The 1979 Public Order Act is the primary legislation regulating assemblies in Nigeria.

In 2007, the Court of Appeal quashed several sections of the Public Order Act; the Court’s decision, however, has not yet been reflected in legislative changes. Notification is no longer required unless the organisers wish to receive police protection. In its 2007 judgment in All Nigeria Peoples Party v. Inspector-General of Police, Justice Adekeye held that:

The Public Order Act should be promulgated to complement sections 39 and 40 of the Constitution in context and not to stifle or cripple it. A rally or placard carrying demonstration has become a form of expression of views on current issues affecting government and the governed in a sovereign state. It is a trend recognized and deeply entrenched in the system of governance in civilized countries – it will not only be primitive but also retrogressive if Nigeria continues to require a pass to hold a rally. We must borrow a leaf from those who have trekked the rugged path of democracy and are now reaping the dividend of their experience (italics added for emphasis).

At regional level, Nigeria is a State Party to the 1981 African Charter on Human and Peoples’ Rights. Article II provides as follows:

Every individual shall have the right to assemble freely with others. The exercise of this right shall be subject

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The surviving provisions in Section 1 of the Public Order Act empower a State Governor to prescribe the route by which and the times at which any procession may pass. In addition, while the use of uniforms is explicitly permitted by Section 7 of the Act, the Commissioner of Police in the relevant state may nonetheless prohibit it if he or she is of the opinion that wearing it is offensive or is likely to provoke a breach of the peace.

Section 102 of the 1960 Criminal Procedure Code (applicable in the northern states) permits the use of force by police officers to disperse unlawful assemblies or riots. The extent of the force allowed to achieve this is, however, not defined.

Section 73 of the 1916 Criminal Code (as amended; generally applicable in the southern states) allows “all such force as is reasonably necessary” to overcome resistance to dispersal.

Police Force Order 237, titled Rules of Guidance in the Use of Firearms by the Police, stipulates as follows:

A police officer may use firearms when “necessary to disperse rioters or to prevent them from committing serious offences against life and property”. Further, 12 or more people must remain riotously assembled beyond a reasonable time after the reading of the proclamation before the use of firearms can be justified.

Paragraph 6 of the Order provides:

Fire should be directed at the knees of the rioters. Any ringleaders at the forefront of the mob should be singled out and fired on. Only the absolute minimum number of rounds necessary to suppress the riot should be used.

11.4 Access to Government Data

The Freedom of Information Act (FOIA) is an Act that gives a person, group, association, or organisation the right to access information from Government Agencies, Parastatals, Federal Civil Service, Private and Public sector organisations providing public services, etc. Any person, group, association, organization, etc. can make a request for information under the FOIA. The request must be in writing with a clear description of the information being sought, and in compliance with specific institutional requirements.

The Freedom of Information Act 2011 [99] was passed by the National Assembly on 24th May 2011 and assented by President Goodluck Jonathan on 28th May 2011. The Freedom of Information Act (FOIA) supersedes the Official Secrets Act (OSA), originally enacted in 1911, which forbade the unauthorised transmission, obtaining, reproduction, or retention of any classified matter. The Act applies not only to public institutions but also to private organisations providing public services, performing public functions or utilising public funds.

The underlying philosophy of Freedom of Information is that public servants are custodians of a public trust on behalf of a population who have a right to know what they do. In particular, the FOIA promises to remove the aura of mystery and exclusion with which public servants cloak the ordinary operations of government and public institutions. It also seeks to change the manner in which public records and information are managed. The Act builds on the presumption of openness, by placing on those who wish to keep public information away from the people, the onus of justifying why they have to do so [100].

While the FOIA gives a person, group, association, or organization the right to

100 - https://www.ncc.gov.ng/licensing-regulation/legal/foia
request access to Federal records, some records are exempted from release. These documents include but are not limited to:

- National security records which have been lawfully classified on national security grounds and remain classified.
- Records which disclosure will constitute an unwarranted invasion of an individual’s personal privacy.
- Records compiled for law enforcement purposes.
- Records protected from release by statutes other than FOIA.

A decade after the Freedom of Information (FOI) Act was passed in the country, no fewer than 16 states are yet to domesticate it or create comparative and parallel mechanisms that serve to promote transparency and accountability in government. The 16 states include Imo, Anambra, Akwa Ibom, Edo, Osun, Ogun, Plateau, Kogi, Nasarawa, Niger, Kano, Sokoto, Bauchi, Adamawa, Taraba and Yobe.

Experts believe that states are taking advantage of conflicting judicial pronouncements to indulge in this bad behaviour. Public interest lawyer, Femi Falana, a Senior Advocate of Nigeria, explains it thus: “There are two conflicting judgments of the Court of Appeal on the applicability of the Freedom of Information Act in the states. One says that it is applicable throughout the country.

Another one says that it is not applicable to states on the grounds that it is a federal enactment. Apart from Ekiti State which has a Freedom of Information Law other state governments prefer to hide under the judgment of the Court of Appeal that says that the FOI Act is not applicable to the states.”

11.5 Engagement in Policy and Governance Process

The National Orientation Act [102] provides for the engagement of citizens in policy and government process. Section 3 of the ACT: Functions of the agency listed the following:

- enlighten the general public on Federal Government policies, programmes and activities;
- mobilise favourable public opinion and support for Federal Government policies, programmes and activities;
- mobilise favourable public opinion and support for Federal Government policies, programmes and activities;
- collect, collate, analyse and provide a source of feedback from the public to the Federal Government on its policies, programmes and activities;
- establish social institutions and framework for deliberate exposure of Nigerians to democratic norms and values for virtue, peaceful, united, progressive;
- and disciplined society;
- energise the conscience of all categories of Nigerians to their rights and privileges, responsibilities and obligations as citizens of Nigeria;
- propagate and promote the spirit of dignity of labour, honesty and commitment of qualitative production, promotion and consumption of home-produced commodities and services;
- re-orientate Nigerians to shed their general attitudes to wastage, variety and pretences of affluence in their lifestyles;
- orientate the populace about power, its use and the proper role of the Federal Government in serving the collective interest of Nigerians;

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propagate the need to eschew all vices in public life including corruption, dishonesty, electoral and census malpractice, ethnic, parochial and religious bigotry; propagate the virtue of hard work, honesty, loyalty, self-reliance, commitment to and the promotion of national integration; 
mobilise Nigerians for positive patriotic participation in and identification with national affairs and issues; and sensitize, induct and equip all Nigerians to fight against all forms of internal and external domination of resources by a few individuals or groups.

Objectives of the agency include:

- Ensure that Federal Government programmes and policies are better understood by the general public;
- Mobilize favourable opinions for such programmes and policies;
- Encourage informal education through public enlightenment activities and publication;
- Establish a feedback channel to the Federal Government on all aspects of Nigerian national life;
- Establish appropriate national framework for educating, orientating and indoctrinating Nigerians towards developing socially desirable attitudes, values and culture which will project individual national pride and position national image for Nigeria;
- Develop among Nigerians of all ages and sex, social and cultural values and awareness which will inculcate the spirit of patriotism, nationalism, self-discipline and self-reliance;
- Awaken the consciousness of Nigerians to their civic responsibilities to the promotion of national unity, citizen’s commitment to their human rights to build a free, just and progressive society;
- Encourage the people to take part actively and freely in discussions and decisions affecting their general welfare;
- Promote new sets of attitudes and culture for the attainment of the goals and objectives of a united Nigerian State;
- Restore and sustain discipline in Nigerians national life;
- Instil in the populace a sense of absolute loyalty to their fatherland;
- Ensure and uphold leadership by example; and
- Foster respect for constituted authority.


Federal Government sought to deepen institutional and policy reforms, and this led to Nigeria joining the Open Government Partnership (OGP) in July 2016 as the 70th country. The OGP is an international multi-stakeholder initiative focused on improving transparency, accountability, citizen participation and responsiveness to citizens through technology and innovation.

It brings together government and civil society champions of reforms who recognize that governments are more likely to be more effective and credible when they open governance to public input and oversight.

At the national level, OGP introduces a domestic policy mechanism through which the government and civil society can have an ongoing dialogue. At the international level, it provides a global platform to connect, empower and support domestic reformers committed to transforming governments and societies through openness.
Between January 2017 to May 2019, the country’s inaugural National Steering Committee oversaw the implementation of First Nigeria OGP National Action Plan (NAP I). It was comprised of fourteen commitments organized around four thematic areas namely fiscal transparency, anti-corruption, access to information and citizens’ engagement. The Second National Action Plan (NAP II), leverages and incorporates the lessons, insights and perspectives gained from the last two and half years of implementing NAP I.

The OGP NAP II is driven by the need to make a measurable positive impact on the ordinary citizens of Nigeria by identifying the issues that restrict effective citizens’ participation in government.

The NAP II has seven (7) Thematic Areas:

1. Fiscal Transparency
2. Extractive Transparency
3. Anti-Corruption
4. Access to Information
5. Citizens’ Engagement and Empowerment
6. Inclusiveness and Service Delivery.

Thematic Area most relevant to CITIZENS ENGAGEMENT is Commitment 13 of NAP II:
To create the space for citizens and citizen organisations, human right defenders, and the media to thrive, express themselves and participate in the different stages of the policy making process without fear or intimidation.

The Lead MDA is the National Human Rights Commission, and this commitment will ensure that citizens and citizen organisations can inform and influence government policies and actions through their freedom to associate, assemble and express themselves freely thereby encouraging constant partnership between the public, private and third sector.

Its Main Objective is to ensure that citizens and citizen organisations can freely assemble, associate, and express their opinions on government policies and programmes.
11.7 Whistle Blowing Policy

Nigeria does not have any specific or comprehensive whistleblowing legislation. There have been, however, several bills presented over the years before the National Assembly which aim to regulate the receipt and investigation of wrongdoing in the public sector, as well as the protection of whistle blowers from reprisals and other adverse actions.

In the absence of specific whistleblowing legislation, the Federal Ministry of Finance has set up a whistleblowing programme, which is designed to encourage members of the public to report any violation of financial regulations, mismanagement of public funds and assets, financial malpractice, fraud and theft. Members of the public are encouraged to report any of the above-mentioned infractions by submitting an anonymous tip on the Federal Ministry of Finance Whistleblowing Portal.

12.0 Barriers and Facilitators (Incentives of Civil Society Regulations)

There is strong support for civil society regulation both within and outside civil society however there are barriers and facilitators to this.

12.1 Facilitators

A decline in public trust and confidence in civil society organisations come tops as one of the key facilitators or incentives for civil society regulations. Increasingly the public is questioning the transparency of large entities within the sector and calling for regulations.[103]

Civil society organisations enjoy tremendous goodwill from Nigerians and with this comes responsibility to live up to the very highest standards. Most Civil society organisations and leaders are conscious of this themselves and are beginning to self-assess especially with the growth in the number of organisations and their spread.

Increasing legislative proposals from the National Assembly to regulate civil society has meant that there is a lack of appetite for new statutory regulations as it raises as many problems as it would address as can be seen from the push back on CAMA however, we see increased appetite for self-regulation driven largely by the need for civil society to provide an alternative to government regulations.

Compliance with existing regulations (on registration) continues to be driven or incentivised by fundraising requirements and access to banking services. For example, while few donors will waive “company registrations” or registration with the Corporate Affairs Commission, an important requirement to access funds will be a bank account in their name.

Whereas to open a bank account, a registration certificate with both the Corporate Affairs Commission, Special Control Unit on Money Laundering and Tax Identification Number from Federal Inland Revenue Service is required.

12.2 Barriers

The very weak collaborative and ineffective educative approach taken by regulators especially Corporate Affairs Commission and Federal Inland Revenue Service including lack of the use of incentives to encourage good behaviours and use of powers to

103 - What we heard on Part F of CAMA
enforce laws in matters of misconduct has ultimately damaged relationship between civil society and them.

Nigeria currently has 27 regulatory regimes that impact upon civil society resulting in complexity and inefficiency for organisations including creating unacceptable levels of unnecessary red tape.

Many of the recent problems on civil society regulations have occurred due to lack of compliance with the existing rules, or disregard for available guidance or best practices. Civil society Boards have often been too absent from their roles and responsibilities as owners in trust. The sector must reconnect Boards of civil society organisations to their oversight functions.

13.0 What are the Current Opportunities, Challenges, and Risks to Civil Society Regulation?

Civil society organisations in Nigeria have the opportunity of seizing the momentum on the call for more transparency and accountability on their part to strengthen trust and confidence in their activities as this critical to its success and existence.

While reported incidence of misconduct and misappropriation is very low, it has the potential to undermine the good work organisations are doing across the country. Measures to enhance transparency, clarify permissible roles and share information with the public will go a long way towards strengthening the trust and confidence the sector needs in order to continue to thrive.

The implementation of CAMA and its challenges provides opportunity for the sector to work with regulators to ensure civil society organisations face minimal red tape and that they have enough time and resources to serve the community.

While organisations will have to provide information on their activities to the regulator, opportunities to reduce complexity of requirements and inefficacies when engaging with regulators and other government agencies.

Civil society regulators have an opportunity to demonstrate reliable stewardship of the regulatory powers they have on the sector by ensuring optimal organisational structures are in place and are effective in order to earn the respect of the sector through swifter decision making and expanded delegation of powers to their state offices, prioritising sector education, consultations, and policy research.

Regulators in the country have very broad powers, there is the need for broadened powers of appeal to allow both the regulator and the responsible entities right to appeal a decision relating to a regulator’s decisions especially around those with CAMA on misconduct, dormant accounts etc.

A lack of this additional safeguards and appeal rights possess a risk to the protection for those affected by the decisions of the regulators --- the public.

A lack of reporting revenue threshold for determining minimum reporting requirements has mean that small organisations have had to deal with compliance burdens that they do not have capacities to deal with.
A lack of simplified disclosure process for these group of non-state actors’ posses’ risk for compliance and infringements by small nonprofits.

Insurgency in the North-East and the narrative on nonprofits being used as conduits for terrorism financing possess both a challenge and risk to civil society regulations. A regulatory model will need to be developed for high-risk areas such as the North-East to ensure proper monitoring and compliance.

This model will be a product of work and engagement between national regulators, states, and civil society to provide broad, economy-wide protections, including guiding against misleading and deceptive conduct and not to impose registrations as we currently have in Borno and Edo State or specific sector “licensing” as we have across the 36 states.

Inconsistencies and complexities in sub-national regulations impose three forms of burden on civil society: registration and reporting and carries the risk of operational restrictions.

Civil society at the sub-national level must work with their government to explore options in streamlining registration and reporting requirements especially for those registered under the state laws and reduce the regulatory burden on the sector.
Presently, there is an oversupply of laws impacting on the operations of civil society and an undersupply in its awareness among operators in the sector and implementation on the part of regulators.

It must be acknowledged from the outset that civil society regulation especially those around the sector’s accountability and transparency are hot topics both within civil society and at the political level. Agreed, effective regulation is important for reassuring the public of the civil society sectors legitimacy thereby inspiring and maintaining trust in their operations. The role of regulators overseeing the registration and behaviour of civil society organisations should be to give confidence to the public, donors, government and private sector and support improvement.
15.0 Recommendations

1. Regulators, legislature, and civil society should consider a one-stop shop for regulating the operations of civil society organisations in ways that promotes ease of registration and compliance (post incorporation activities) including overall effectiveness and efficiency of the sector.

2. There are at present many civil society networks and coalitions at the national and sub-national level ranging from generic and thematic or subsectors. The networks and coalitions should play a role in championing, representation and advocacy on reforms that are necessary to improve the regulatory environment for civil society including engaging in conversations around a minimum standard and best practices on transparency and accountability.

3. Regulators should enhance their ability to share information that would support collective goals of promoting transparency and accountability compliance in the sector. While all regulations identified in this report have an agency of government responsible for their implementation, their inter-agency information sharing procedures have largely proven unworkable leading to more burden for civil society.

4. Self-regulation initiatives in the civil society sector should seek synergies with the regulation process at the national and sub-national levels by developing indicators for a monitoring system and voluntary reporting mechanism. Members must pay attention to the implementation and enforcement of existing self-regulatory mechanisms.

5. A dialogue between regulators, legislature, civil society, and the public at the national and sub-national levels on regulations for the sector would help ensure that all stakeholders are well informed about statutory and self-regulation processes and that any action from government builds on, rather than duplicate or overregulate the sector.