ADVOCAAT
LAW PRACTICE

REGULATORY UPDATE

HIGHLIGHTS OF THE GUIDELINES, LETTERS, CIRCULARS AND NOTIFICATIONS ISSUED IN JULY 2026

LAGOS | ABUJA | CALABAR

www.advocaat-law.com | Advocaat Law Practice | advocaatlawpractice

Dear Esteemed Client,

The Securities and Exchange Commission ('SEC'), the National Pension Commission ('PenCom'), the Nigeria Revenue Service ('NRS'), the Financial Reporting Council of Nigeria ('FRCN'), the Nigeria Immigration Service ('NRS'), the Nigerian Exchange Group ('NGX'), the Central Bank of Nigeria ('CBN') the National Insurance Commission ('NAICOM'), the Nigeria Deposit Insurance Corporation ('NDIC'), the Nigeria Data Protection Commission ('NDPC'), the Federal Competition and Consumer Protection Commission ('FCCPC'), the Corporate Affairs Commission ('CAC'), the National Agency for Food and Drug Administration and Control ('NAFDAC'), and the Federal Government of Nigeria ('FGN') issued a series of Press Releases, Circulars, Directives and Guidelines in July 2026 containing information and directives for various sectors and the general public. We hope that you find the information useful in your operations.

CBN ISSUES INTERPRETATIVE GUIDANCE ON BOFIA CONTRACT SUSPENSION POWERS

On 1st July, 2026, the CBN issued interpretative guidance addressing Sections 34(2)(b) and 40(2) of the Banks and Other Financial Institutions Act 2020 ('BOFIA'), which provides for its power to suspend payment or delivery obligations and termination rights in relation to failing banks or financial institutions. The guidance clarifies that such suspension shall not exceed two business days from the date on which the written order or notice of suspension is issued by the CBN Governor.

The interpretative guidance was issued pursuant to Section 56 of BOFIA and Section 33(1)(b) of the CBN Act 2007, and is intended to eliminate uncertainty for counterparties to contracts involving a failing or resolved bank.

For more information, please refer here.

CBN REVOKES OPERATING LICENCES OF 46 MICROFINANCE BANKS

On 1st July 2026, the CBN revoked the operating licences of 46 Microfinance Banks across the country, pursuant to its powers under Sections 12 and 13 of the Banks and Other Financial Institutions Act 2020. The revocation followed the affected banks' failure to meet regulatory requirements for continued operation, including insufficient assets to meet liabilities, closure of operations without CBN approval, prolonged inactivity, failure to commence operations within 12 months of licensing, and failure to maintain the prescribed minimum capital.

For more information, please refer here.

SEC CLEARS SEVEN NEW FINTECH FIRMS FOR ADMISSION INTO THE ACCELERATED REGULATORY INCUBATION PROGRAMME ('ARIP')

On 2nd July 2026, the SEC admitted seven new entities into its Accelerated Regulatory Incubation Programme ('ARIP'). The admitted entities are Bitbarter

Technologies Limited, Luno Fintech Nigeria Limited, GetEquity Limited, Koinkoin Global Network Limited, Wrapped CBDC Ltd, Trovotech Ltd, and Blockvault Custodian Ltd. The SEC granted each entity an Approval-in-Principle to operate within the ARIP's defined scope. ARIP is a regulatory sandbox designed to fast-track the onboarding of digital asset and other innovative investment service providers while SEC assesses novel business models and safeguards investor protection.

SEC clarified that an Approval-in-Principle is conditional and not a final licence, and it remains subject to the entities' continued compliance with applicable regulatory, operational and supervisory obligations.

For more information, please refer here.

SEC RELEASED PROPOSED RULES ON CROSS-BORDER SECURITIES TRADING AND CUSTODY

On 2nd July 2026, the SEC published the draft rules on cross-border securities trading and custody, for public comment. The draft rules set out proposed requirements for trading in foreign securities and related custody arrangements by Nigerian capital market operators. It provides, among other things, that they shall apply to every broker registered with SEC that provides Nigerian investors access to securities listed or traded on a foreign securities exchange, and sets out registration requirements, eligibility criteria for executing foreign securities transactions through a foreign broker, and requirements for the custody of foreign securities.

The comments on the proposed rules are to be forwarded to the SEC's Rules Committee's Secretariat via rulescommittee@sec.gov.ng, or through the SEC's Director-General, within two weeks of the date of exposure.

For more information, please refer here.

PENCOM EXTENDS REGULATORY FORBEARANCE ON PENSION FUND ADMINISTRATORS INVESTMENTS IN SECURITIES OF PENSION FUND CUSTODIANS' PARENT COMPANIES

On 3rd July 2026, the PenCom extended its existing regulatory forbearance permitting Pension Fund Administrators ('PFAs') to invest in a broader range of securities issued by the parent companies (i.e. shareholders) of their respective Pension Fund Custodians ('PFCs'), for a further 24 months, because of prevailing market realities, including operational constraints within the financial system and the limited availability of quality investable instruments in the domestic market.

The forbearance is subject to strict governing principles including arm's-length dealing, prudential exposure caps (e.g., a 3%/1% per-issuer limit on ordinary shares depending on fund type, and a 5% aggregate cap on RSA Fund exposure to a PFC parent's securities and bonds), enhanced internal governance review by the PFA's Investment Committee, Risk Management and Compliance units, and mandatory quarterly disclosure to PenCom.

For more information, please refer here.

PENCOM INTRODUCES "I AM ALIVE" VERIFICATION EXERCISE FOR PENSION RETIREES

On 3rd July 2026, PenCom issued a circular on the Liveness Verification Exercise (Circular), introducing a mandatory annual “I Am Alive” verification process for all retirees receiving periodic pension benefits under the Contributory Pension Scheme, to confirm retirees’ living status, update records, and prevent payment leakages from deceased or ineligible beneficiaries. The Pension Fund Administrators (‘PFAs’) must offer both digital (mobile/web) and physical verification options, with special provisions for sick or elderly retirees.

Retirees who fail to verify within a 12-month cycle (plus a 3-month grace period) will have their pension and health insurance benefits temporarily suspended until verification is completed. The Circular takes effect from 1st December 2026.

For more information, please refer here.

PENCOM MANDATES DIGITALISATION OF CLIENT REGISTRATION/ONBOARDING AND BENEFITS PAYMENT PROCESSES

On 3rd July 2026, PenCom issued a circular directing all PFAs to adopt digital onboarding registration and electronic benefits payment processes for contributors and retirees, using secure web portals, mobile apps, USSD and other approved digital channels. PFAs must implement robust identity verification (PIN/NIN-based authentication, OTP, biometrics or facial recognition) commensurate with transaction risk. The circular also imposes cybersecurity, data protection and tamper-evident audit trail requirements on all digital platforms, and takes effect from 1st January 2027.

For more information, please refer here.

THE FEDERAL GOVERNMENT DIRECTS FCCPC TO INVESTIGATE BIG TECHS

On 6th July 2026, President Bola Ahmed Tinubu directed the FCCPC to investigate Meta, Alphabet, X and Generative AI platforms over allegations of anti-competitive practices. The directive followed a joint petition to the Presidency by the Nigerian Press Organisation comprising the Newspaper Proprietors’ Association of Nigeria (‘NPAN’), the Nigeria Union of Journalists (‘NUJ’), the Nigerian Guild of Editors (‘NGE’), the Broadcasting Organisations of Nigeria (‘BON’), and the Guild of Corporate Online Publishers (‘GOCOP’).

The issues under investigation include the companies’ market dominance, unauthorised scraping and use of news content to train AI models, and the absence of equitable commercial arrangements with Nigerian news publishers.

For more information, please refer here.

NAICOM REITERATES 31ST JULY 2026 RECAPITALISATION DEADLINE

On 6th July 2026, NAICOM reiterated that the Nigerian Insurance Industry Reform Act 2025 (NIIRA) has made insurance recapitalisation a statutory requirement for all insurance and reinsurance companies in Nigeria. By 31st July 2026, all operators are expected to comply with the new minimum capital requirements (₦15 billion for non-life insurers, ₦10 billion for life insurers, and ₦35 billion for reinsurers), aimed at repositioning the industry for greater strength and sustainability.

For more information, please refer here.

CAC TO ENFORCE FULL COMPLIANCE WITH COMPANY BUSINESS LETTER REQUIREMENTS FROM 1ST AUGUST 2026

On 8th July 2026, the CAC notified the general public and all companies registered under the Companies and Allied Matters Act 2020 ('CAMA') that with effect from 1st August 2026, it will enforce full compliance with the requirements of Sections 304(1) & (2) and 729(1)(c) of the CAMA regarding particulars on company business letters, with attendant sanctions for non-compliance.

Every company is required to paint or affix its name and registration number on the outside of every office or place in which its business is carried on, in a conspicuous position, in legible letters. Every company is also required to state on its business letters, in legible characters, every director's present forename or initials and surname, any former forename and surname, and nationality (for non-Nigerian directors), as well as the company's name, registration number and registered address.

For more information, please refer here.

CBN CLARIFIES LEGAL TENDER STATUS OF THE STANDARD ₦100 BANKNOTES

On 8th July 2026, the CBN issued a clarification confirming that both the standard ₦100 banknote and the commemorative ₦100 note remain legal tender, following reports of the rejection of the standard ₦100 banknote by some members of the public, businesses and other stakeholders. The CBN stated that the commemorative note was issued to mark a special occasion and was never intended to replace or phase out the standard note. The CBN warned that rejection of either note by any person or business constitutes a breach of the CBN Act, and reaffirmed that it will enforce compliance with the legal tender status of both notes.

For more information, please refer here.

SEC REMINDS CAPITAL MARKET OPERATORS TO SUBMIT Q2 2026 BALANCE OF PAYMENTS, CAPITAL FLOWS RETURNS, AND OWNERSHIP STRUCTURE INFORMATION

On 8th July 2026, the SEC reminded all Registrars, Brokers/Dealers, Fund Managers and other relevant Capital Market Operators ('CMOs') of their obligation to submit Q2 2026 Ownership Structure and Capital Flows Returns, in support of the compilation of Nigeria's Balance of Payments and International Investment Position statistics. CMOs are required to report on new equity and debt investments, non-resident holdings in Nigerian entities, ownership arising from mergers and acquisitions, and other cross-border capital market transactions on or before 10th July 2026, using the designated reporting templates for each category of operator.

For more information, please refer here.

S&P DOW JONES PLACES NIGERIA ON 2027 FRONTIER MARKET WATCHLIST

On 8th July 2026, S&P Dow Jones Indices ('S&P DJI') placed Nigeria on its 2027 Country Classification Watchlist for possible reclassification from Standalone to Frontier Market status, citing improvements in regulatory transparency, enforcement and market integrity. A final decision on reclassification will be made at S&P DJI's Country Classification Annual Review in 2027.

NGX Group described the watchlist placement as the first stage of a structured review process, noting that continued policy consistency and operational resilience will determine whether Nigeria's capital market reforms culminate in an eventual upgrade.

For more information, please refer here.

NDIC COMMENCES DEPOSITOR VERIFICATION FOLLOWING REVOCATION OF 46 MICROFINANCE BANK LICENCES

On 9th July, 2026, the NDIC, following the CBN's revocation of the operating licences of 46 Microfinance Banks on 1st July 2026, announced that it has commenced depositor verification exercises at the affected banks' offices nationwide, in its capacity as statutory liquidator under the NDIC Act 2023 and the Banks and Other Financial Institutions Act 2020.

Depositors of the defunct banks can file claims either by visiting the affected banks' premises, completing the Pre-Verification Claims Form on the NDIC website, or visiting the nearest NDIC zonal office, with dedicated phone lines provided for further enquiries.

For more information, please refer here.

COURT AFFIRMS FCCPC'S AUTHORITY TO INVESTIGATE AIRLINE TICKET PRICING COMPLAINTS

On 10th July 2026, the Federal High Court, Abuja dismissed Air Peace's suit challenging the FCCPC's authority to investigate ticket pricing complaints and affirmed that FCCPC has the statutory authority to investigate consumer complaints relating to pricing of airline tickets. The Court also clarified that the investigative powers under the Federal Competition and Consumer Protection Act are distinct from the exercise of a power to regulate ticket prices.

For more information, please refer here.

NAFDAC ISSUES PUBLIC ALERT ON NIGER REPUBLIC'S IMPORT BAN OF BULMEX PARBOILED RICE FROM INDIA

On 12th July 2026, the National Agency for Food and Drug Administration and Control ('NAFDAC') issued a Public Alert informing the Public that Niger Republic's Ministry of Trade and Industry has banned the importation of Bulmex Parboiled Rice from India after concerns of metallic contamination were raised by Niger's Agadez Regional Directorate of Commerce and Industry. Bulmex is marketed as a brand of Indian parboiled rice and Pakistani long-grain rice, reportedly distributed in Nigeria and the Republic of Niger.

NAFDAC clarified that the presence of the product in the Nigerian market has not been confirmed, but has directed all zonal directors and state coordinators to conduct surveillance and mop up the implicated product if found, as a precautionary measure against possible cross-border circulation.

For more information, please refer here.

NIGERIA STRENGTHENS GLOBAL PASSPORT AUTHENTICATION, IMPORTS COUNTRY SIGNING CERTIFICATE AUTHORITIES ('CSCAs') INTO THE INTERNATIONAL CIVIL AVIATION ORGANIZATION ('ICAO') PUBLIC KEY DIRECTORY ('PKD')

On 13th July 2026, the NIS successfully imported all of Nigeria's Country Signing Certificate Authorities ('CSCAs') into the International Civil Aviation Organization ('ICAO') Public Key Directory ('PKD'), at a ceremony held at ICAO Headquarters in Montreal, Canada. The exercise was undertaken to resolve passive authentication challenges faced by some Nigerian passport holders at select foreign border control points.

With the import complete, Nigerian passports can now be verified seamlessly by border control systems in all ICAO PKD member states, establishing a chain of trust that strengthens the international authentication and interoperability of Nigeria's travel documents.

For more information, please refer here.

CAC COMMENCES STRIKING OFF 100,000 COMPANIES FOR UNFILED ANNUAL RETURNS (BATCH 6)

On 15th July 2026, the CAC commenced the process of striking off 100,000 companies from its register for failure to file outstanding annual returns and other mandatory statutory filings. The exercise is being carried out pursuant to Section 692(3) and (4) of the Companies and Allied Matters Act 2020, which empowers the CAC to remove non-compliant companies from the register.

CAC has published the full list of affected companies on its official portal and is urging business owners, legal practitioners and compliance officers to confirm whether their companies are included, and to take prompt steps to regularise their filing status where necessary to avoid disruption to their corporate standing, within 90 days from the date of the notice.

For more information, please refer here.

NAICOM ISSUES PUBLIC NOTICE ON NIGER INSURANCE PLC (IN RECEIVERSHIP)

On 17th July 2026, NAICOM issued a public notice informing stakeholders that certain newspaper publications by persons purporting to be the Management of Niger Insurance Plc were false and misleading. NAICOM confirmed that it had cancelled Niger Insurance Plc's licence in 2022 over insolvency and persistent inability to pay verified claims, and had appointed Otunba Sanya Ogunkuade, Esq. as Receiver/Liquidator, an appointment upheld by the Federal High Court in January 2023 and the Court of Appeal in February 2025.

NAICOM noted that a fresh suit filed by the same group of former directors despite a pending Supreme Court appeal on the same subject resulted in a Federal High Court judgment on 5th June 2026 that is now itself on appeal, with stay-of-execution applications still pending. NAICOM confirmed that the Company's licence remains cancelled, its former board dissolved, and it remains prohibited from underwriting new business, and warned stakeholders to deal only with the appointed Receiver/Liquidator.

For more information, please refer here.

NIGERIA REVENUE SERVICE SETS 31ST JULY 2026 DEADLINE FOR LARGE TAXPAYERS' E-INVOICING COMPLIANCE

On 20th July 2026, the NRS reminded all large taxpayers (companies with annual gross turnover of ₦5 billion and above) of the Public Notice issued on 17th February 2026 regarding the implementation timeline and mandatory adoption of the National E-Invoicing & Electronic Fiscal System ('EFS'), also known as the Merchant Buyer Solution ('MBS'). NRS disclosed that it has commenced compliance monitoring activities to assess adherence to the e-invoicing mandate, and directed all large taxpayers yet to commence or complete implementation to ensure full compliance on or before 31st July 2026.

Compliance requires completion of onboarding on the MBS, successful integration through approved Access Point Providers or Systems Integrators, completion of all required validation and testing, and active transmission of compliant e-invoices bearing a valid Invoice Reference Number ('IRN') from suppliers.

The NRS warned that affected taxpayers who fail to conclude onboarding and commence invoice transmission before the deadline risk regulatory and enforcement action under applicable tax laws, and directed enquiries to www.einvoice.nrs.gov.ng or e-invoice@nrs.gov.ng.

For more information, please refer here.

FCCPC RESUMES ENFORCEMENT OF DIGITAL LENDING (DEON) REGULATIONS AFTER THE FHC DISCHARGED ITS ORDER SUSPENDING IT

On 20th July 2026, the Federal High Court, Lagos, dismissed a suit filed by the Wireless Application Service Providers Association of Nigeria ('WASPAN') challenging the Federal Competition and Consumer Protection Commission's Digital, Electronic, Online or Non-Traditional Consumer Lending Regulations, 2025 (DEON Regulations). The Court upheld the Regulations as validly made pursuant to the FCCPC's powers under the Federal Competition and Consumer Protection Act 2018, and discharged the interim order that had suspended their enforcement since the suit was filed.

Following the ruling, the FCCPC announced it has resumed full implementation of the DEON Regulations, including registration of loan apps, monitoring of interest rate disclosures, data privacy compliance and regulation of debt recovery practices, and indicated it will issue updated compliance guidelines for digital lenders shortly.

For more information, please refer here.

CBN'S MPC RETAINS MONETARY POLICY RATE AT 26.5%

The Monetary Policy Committee ('MPC') of the CBN held its 306th meeting on 20th and 21st July, 2026 and decided to retain the Monetary Policy Rate ('MPR') at 26.5%, the Standing Facilities Corridor at +50/-450 basis points around the MPR, the Cash Reserve Ratio at 45% for Deposit Money Banks and 16% for Merchant Banks, and the CRR on non-TSA public sector deposits at 75%. The decision followed an assessment of the balance of risks, noting that while headline inflation moderated marginally to 15.91% in June 2026, heightened global uncertainty, particularly from renewed hostilities in the Middle East, warranted a cautious, unchanged policy stance.

For more information, please refer here.

SENATE PASSES BILL TO RENAME NAICOM AS INSURANCE REGULATORY COMMISSION

On 21st July 2026, the Senate passed the National Insurance Regulatory Commission (Repeal and Re-enactment) Bill 2026, which repeals the National Insurance Commission Act and renames the agency the Insurance Regulatory Commission ('IRC'). The Bill is intended to resolve confusion arising from NAICOM's current name given the structure of Nigeria's insurance industry.

For more information, please refer here.

PENCOM ISSUES STRUCTURE AND PROCESSES FOR RETIREE LIFE ANNUITY CUSTODIAL FEES

On 23rd July 2026, PenCom issued a circular setting out the structure and processes for Retiree Life Annuity ('RLA') custodial fees, pursuant to Paragraph 17.2 of the Revised Regulation on Retiree Life Annuity 2020. The circular caps the custodial fee chargeable by RLA Custodians at a maximum of 1% of the income generated from RLA assets under their custody, to be freely negotiated between the RLA Provider and RLA Custodian within that ceiling, with any fee change subject to one month's prior notice and joint endorsement by both parties.

The circular further requires RLA Custodians to remit a regulatory fee of 0.5% of their generated income to PenCom, sets out timelines for invoicing and payment authorisation (five working days for the Custodian to invoice, three working days for the Provider to confirm and authorise payment), and directs that all bank charges relating to fee collection be borne by the RLA Fund. All Licensed Pension Fund Operators and RLA Providers are required to comply with immediate effect.

For more information, please refer here.

NAFDAC ALERTS PUBLIC TO RECALL OF SPORIDEX SUSPENSION OVER IMPURITY CONCERNS

On 24th July 2026, NAFDAC issued Public Alert No. 033/2026 announcing the voluntary recall of Batch No. DFG4606A of Sporidex Suspension 125mg/5ml, a cephalexin-based antibiotic, after Ranbaxy Nigeria Ltd (a Sun Pharma company) detected an impurity exceeding approved specification limits. NAFDAC noted the impurity could compromise the product's quality, safety and stability, potentially reducing its antibiotic effectiveness.

The Agency has directed all zonal directors and state coordinators to conduct surveillance and mop-up activities, and directed distributors, wholesalers, retailers, pharmacies and hospitals to immediately cease distribution and sale of the affected batch, with consumers advised to return any held stock to the point of purchase or nearest healthcare facility.

For more information, please refer here.

COURT AFFIRMS NDPC'S AUTHORITY TO REQUIRE POS AGENTS TO REGISTER AS DATA CONTROLLERS/PROCESSORS OF MAJOR IMPORTANCE

On 28th July 2026, the Federal High Court dismissed a suit (*Emmanuel Harunna v. NDPC*, FHC/L/CS/1116/2024) challenging the NDPC's authority to classify Point of Sale ('POS') agents as Data Controllers and Processors of Major Importance ('DCPMIs') under the Nigeria Data Protection Act (NDPA) 2023. The Court held that NDPC acted within powers granted under Sections 5(d), 6(c), 44, 45 and 65 of the NDPA in designating entities within the Major Data Processing – Ordinary High Level

(OHL) category as DCPMIs, and that the registration requirement strengthens rather than infringes the constitutional right to privacy.

Following the judgment, the NDPC directed all organisations classified as DCPMIs that have not registered to do so immediately, extending mandatory compliance to Nigeria's roughly 5.9 million POS terminals given the volume of sensitive financial and biometric data such agents process.

For more information, please refer here

SEC LAUNCHES FULL ELECTRONIC REGISTRATION (E-REGISTRATION) FOR CAPITAL MARKET OPERATORS

On 29th July 2026, SEC announced the commencement of a fully electronic registration process for Capital Market Operators ('CMOs') via its ePortal, enabling designated regulatory registration services to be completed entirely online with effect from 10th August 2026. SEC described the launch as another step in its broader digital transformation programme, aimed at modernising Nigeria's capital market and improving regulatory efficiency.

Applications for new entrants into the Nigerian capital market are not included in this phase of the full e-registration rollout, and the SEC will announce the commencement of electronic processing of new entrants' applications on the ePortal in due course. Until the electronic processing of new entrants' applications on the ePortal commences, applications for new entrants will continue to be submitted to the SEC via registration@sec.gov.ng or through any of the offices of the SEC.

The new e-Registration platform is expected to streamline onboarding for CMOs, reducing reliance on manual, paper-based registration processes and reinforcing SEC's stated commitment to building a technology-driven regulatory ecosystem.

For more information, please refer here.

CONTACTS

OLA ALOKOLARO
ola.alokolaro@advocaat-law.com

GRACE EREWELE
grace.erewele@advocaat-law.com

WHITNEY AGBO
whitney.agbo@advocaat-law.com

KHAIRAT BAKARE
khairat.bakare@advocaat-law.com

MIRACLE IKANI
miracle.ikani@advocaat-law.com

LAGOS OFFICE
13 Norman Williams Street
Off Keffi Street, Ikoyi
Lagos Nigeria

ABUJA OFFICE
Nigerian National Merit Award House Enspire
1st Floor Room 3
Plot 22 Aguiyi Ironsi Way Maitama Abuja
Nigeria

CALABAR
Akom Building
15 Murtala Mohammed Highway Calabar
Cross River
Nigeria

TELEPHONE: (LOS)+234 02014547932 (ABJ)+234 8105340496

EMAIL: info@advocaat-law.com **WEBSITE:** www.advocaat-law.com