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Nigeria's Online Gaming and Betting Industry:

A Regulatory Guide for Prospective Operators

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Nigeria sits at the intersection of a young, tech-driven population and one of Africa's most active sports cultures. The appetite for online gaming and sports betting has grown significantly over the last decade, and with that growth has come a rapidly evolving regulatory landscape that any serious operator must understand before entering the market.

THE EXISTING LICENSE FRAMEWORK

For many years, Nigeria operated a dual-track system where both the federal government and individual states claimed regulatory authority over gaming and betting activities. At the federal level, the National Lottery Regulatory Commission ("NLRC") issued licenses that operators relied on to run platforms across the country. Alongside this, several states had their own gaming regulators who issued state-specific licenses.

The Lagos State Lotteries and Gaming Authority ("LSLGA")[1] was established under the Lagos State Lotteries and Gaming Authority Law of 2021, replacing the former Lagos State Lotteries Board and consolidating the regulation of lotteries, betting, casinos, gaming machines, promotional competitions, and related gaming categories within the state. Lagos quickly became the most structured and sophisticated gaming jurisdiction in the country, covering both land-based and online operations.

This dual system created significant tension between federal and state authorities, particularly on the question of which tier of government had the constitutional power to regulate gaming. That tension was resolved decisively in November 2024, when the Supreme Court of Nigeria in AG Lagos State & 22 Ors v. AG Fed & 13 Ors[2] ruled that gaming regulation falls within the exclusive legislative competence of the states, except in the Federal Capital Territory. The Supreme Court's ruling essentially did away with the national powers and jurisdiction of the NLRC, leaving it wholly subject to the Federal Capital Territory, Abuja. On 14th May 2025, the Federal Capital Territory Administration announced that the FCT Lottery Regulatory Office (FCT-LRO) would commence regulating gaming operations in the FCT, with all licenses or permits previously issued by the NLRC remaining valid and enforceable within the FCT. Operators whose business is conducted outside Abuja can therefore no longer rely on any NLRC or FCT-LRO license as their basis for operating in other states. Each state in which an operator wishes to serve users now requires a separate authorisation, either through that state's own regulator or, more practically, through the URC.

THE STATE-BY-STATE FRAMEWORK

The Supreme Court ruling fundamentally restructured the Nigerian gaming industry by firmly establishing that each state has the right to create and enforce its own gaming regulatory regime. This means that an operator seeking to offer betting or gaming services to users in Lagos must obtain a license from the LSLGA. An operator targeting users in Oyo State must deal with the Oyo State Gaming Board. The Federal Capital Territory has its own FCT Lottery Regulatory Office for operators seeking to serve Abuja-based users.

For states that have built out their own regulatory frameworks, the licensing process involves incorporation within that state's requirements, demonstrating minimum share capital, submitting

[1] Section 2(1) of the Lagos State Lotteries and Gaming Authority Law 2021.
[2] SC/1/2008

business plans and technical documentation, passing background and AML/KYC checks, and paying the applicable license fees. The categories of activity regulated by state authorities typically include online sports betting, online casino operations, public online lottery, and promotional competitions.

THE FSGRN UNIFIED FRAMEWORK: 22 STATES, ONE CERTIFICATE

Recognising that a state-by-state approach could create an impractical burden for operators and stifle a growing industry, a coalition of state regulators took collective action and came together to create "The Federation Of State Gaming Regulators Of Nigeria" ("FSGRN") as a coalition of state-level gaming authorities to harmonize regulation and enable cross-state license recognition, following a landmark November 2024 meeting of these states after the Supreme Court invalidated federal control under the National Lottery Act and the signing of the Subnational Reciprocity Licensing Framework in May 2025; unlike a statutory body, the FSGRN is founded on consensus and a memorandum of understanding among state regulators, with its authority deriving from each member state rather than federal legislation, making it the coordinating and issuing body for collective licensing arrangements. The FSGRN officially signed the Subnational Reciprocity Licensing Framework on 7th May 2025.[3] The new framework introduces a single, unified licensing process for operators across member states.

22 states[4] have established the FSGRN and, under the Subnational Reciprocity Licensing Framework, gaming operators may obtain a single license known as the Universal Reciprocity Certificate ("URC") valid across all FSGRN member states. This is a significant development for operators because it eliminates the need to file separate applications, pay separate fees, and manage separate compliance obligations in each member state.

The URC covers Online Sports Betting, Online Casino, Public Online Lottery, and Promotional Competitions. The goal is to remove the burden of applying separately to each state, improve regulatory coordination, and create a more stable and investor-friendly operating environment. For investors and founders evaluating market entry, the URC represents the most efficient pathway to a broad Nigerian footprint.

WHAT THE LAW REQUIRES

Under the various state laws and the harmonised FSGRN framework, a gaming or betting activity is broadly defined to include any scheme, arrangement, or platform through which a participant stakes something of value on an uncertain future event in exchange for the chance to receive a prize. The test is one of economic substance: if the underlying transaction involves consideration, uncertainty, and a prize of any value, it will be treated as a regulated gaming activity regardless of how the product is marketed or what terminology is used.

This means that proxy currencies, points systems with redeemable value, and sponsor-funded prize structures that require entry fees all carry regulatory risk. A platform can remain outside the licensing requirement during an MVP or testing phase only if it operates with no paid entry, no prizes of

[3] FSGRN member states sign Subnational Reciprocity Licensing Framework <https://sigma.world/news/fsgrn-member-states-sign-subnational-reciprocity-licensing-framework/> date accessed 09.06.26

[4] 1. Lagos State, 2. Ekiti State, 3. Abia State, 4. Akwa Ibom, 5. Anambra State, 6. Bayelsa State, 7. Benue State, 8. Cross River State, 9. Delta State, 10. Ebonyi State, 11. Edo State, 12. Kaduna State, 13. Taraba State, 14. Plateau State, 15. Osun State, 16. Oyo State, 17. Ondo State, 18. Ogun State, 19. Nasarawa State, 20. Enugu State, 21. Imo State, 22. Kogi State.

monetary or redeemable value, and no advertising that positions the product as a betting or lottery service. The moment any of those elements is introduced, a license becomes mandatory, and operating without one is a criminal offence in Lagos and other regulated states.

Effective from 1st January 2026, the FSGRN introduced an 11% flat contribution on Gross Gaming Revenue for Good Causes[5] across all operators, and license fees have been fixed at NGN 100 million per annum for each category of operator covering Lottery, Sports Betting, and Casino. The distinction between online and retail operations has been removed.

LICENSE TENURE AND RENEWAL

Under the FSGRN framework and aligned state regimes, the standard license is issued on an annual basis. Renewal and fee payments are required from 1st January 2026, with regular renewals and license fees applying from that date. Specifically for the Interactive Games and Sports Betting categories under frameworks such as Lagos', the annual renewal fee sits at NGN 50 million, and a monthly gaming tax of 11% of Gross Gaming Revenue applies. A bank guarantee of NGN 50 million is also required to secure player winnings and regulatory stability.

The practical licensing timeline from initial application to final license issuance runs between three and six months. This covers document preparation and submission (typically two to four weeks), the regulator's due diligence review (four to twelve weeks), and an Approval in Principle stage during which operations may be authorised for 90 days under monitoring before the final license is granted.

For operators who already hold a state-level license, the position under the FSGRN framework is unambiguous. All operators previously licensed either by the now-proscribed NLRC or by respective member states are required to apply for the URC through the Secretariat of the FSGRN. Renewing directly under a standalone state license is therefore no longer the appropriate path for operators who wish to remain compliant within the FSGRN framework. The state license does not simply convert into a URC; a fresh application to the FSGRN Secretariat is required.

The good news for existing operators is that the FSGRN acknowledged the disruption caused by the transition and introduced transitional relief measures. Operators previously licensed by the now-defunct NLRC or individual member states were required to apply for the URC through the FSGRN Secretariat, and to support a smooth migration, the FSGRN granted a full waiver of 2025 license fees for eligible operators, with regular renewals and license fees resuming from 1st January 2026. That fee waiver window has now closed, meaning operators yet to migrate are now subject to the full fee schedule and should treat regularisation under the URC as an urgent compliance priority.[6]

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[5] This is a term rooted in Nigerian lottery legislation and refers to designated public benefit purposes to which a portion of gaming revenue is statutorily directed. Under the framework administered by the former NLRC, good cause contributions were channeled toward infrastructure development, education, health, and social welfare projects. The FSGRN has carried forward this concept within its unified framework, requiring that the 11% GGR levy be ring-fenced for equivalent public benefit purposes at the state level, with each member state responsible for the administration and disbursement of its share of those funds.

[6] FSGRN Signs Landmark Universal Licensing Agreement; Grants Fee Waiver to NLRC Licensees <https://www.thisdaylive.com/2025/05/15/fsgrn-signs-landmark-universal-licensing-agreement-grants-fee-waiver-to-nlrc-licensees/> date accessed 09.06.26

THE GEO-FENCING QUESTION

One of the more commercially important questions for any online operator is the reach of a single state license. The internet does not respect state boundaries, and a user in Abuja can access a platform licensed in Lagos just as easily as a user in Ikeja. The question is whether that is legally permissible, and if so, what obligations flow from it.

The position under a standalone state license is restrictive. A bookmaker holding an LSLGA license can operate in Lagos, but without a URC, it is permitted to offer its services only in Lagos. Strictly interpreted, serving users in other states without the appropriate authorisation in those states creates regulatory exposure.

The URC resolves this problem for the 22 FSGRN member states. However, that resolution comes with a corresponding obligation. Regulators under the FSGRN/URC model expect operators to implement geo-location and geo-fencing controls, or validated location capture at onboarding and during play, along with state-based reporting dashboards, monthly remittance support, and the ability to segment customers, stakes, and payouts by location.[7] This is because gaming taxes, levies, and regulatory responsibilities are allocated to the state where the user is located, not merely where the operator is incorporated or licensed.

In practical terms, this means that a platform cannot simply obtain a URC and then treat Nigeria as a single undifferentiated market. The technology must be capable of identifying where each user is playing from, attributing revenue to the correct state, and generating the reports that individual state regulators require. Geo-fencing tools are not just a compliance feature; they are a core operational requirement under the unified framework.

DATA PROTECTION: REGISTRATION AS A DATA CONTROLLER OF MAJOR IMPORTANCE

Every gaming and betting platform collects substantial personal data. User identities, financial information, betting histories, device data, and location information are all processed at scale from day one. This makes data protection compliance not an afterthought but a foundational requirement that operators must address in parallel with their gaming license applications.

The governing legislation is the Nigeria Data Protection Act 2023 ("NDPA"). The NDPA has extraterritorial reach, meaning it applies to foreign organisations that process the personal data of Nigerian users, including through online platforms.

The obligation to register flows from the NDPA and the Guidance Notice issued by the NDPC on 14th February 2024[8]. Under that framework, an entity qualifies as a "data controller of major importance" where it processes the personal data of more than 200 data subjects within a period of six months, or

[7] This requirement was formally articulated at the FSGRN Lagos Stakeholder Engagement in September 2025 <https://www.thisdaylive.com/2025/09/11/at-lagos-stakeholder-engagement-fsgrn-clarifies-grey-areas/> dated accessed 09.06.26. Beyond the fee-remittance obligation, a distinctive requirement tied to the reciprocity approach is the ability to attribute transactions to the correct state for taxes, levies, and regulatory reporting, and regulators may expect geo-location and geo-fencing controls or validated location capture at onboarding and during play, along with state-based reporting dashboards, monthly remittance support, and the ability to segment customers, stakes, and payouts by location.

[8] NDPC/HQ/GN/VOL.03/B/24

where it provides commercial technology services on digital devices belonging to others. A gaming or betting platform satisfies both criteria at once. It is a technology company delivering commercial services through applications installed on users' devices, and it processes personal data from the moment the first account is created. The 200-data-subject threshold will be crossed within days of going live, not months.

Beyond sheer volume, the nature of the data processed by gaming platforms elevates the compliance obligation further. User profiles on a betting platform typically contain financial data drawn from payment transactions and wallet activity, identity documents submitted during KYC verification, and, where a platform covers political forecasting or event-based markets, data that touches on political opinions or affiliations. Each of these categories qualifies as sensitive personal data under the NDPA, and the processing of sensitive data attracts a higher standard of care, requiring explicit consent, stronger security controls, and more rigorous documentation of the lawful basis for processing. An operator in this space is therefore not simply a data controller of major importance by reason of user numbers alone; it is a data controller processing sensitive personal data at a commercial scale, which places it firmly in the highest tier of regulatory attention under the NDPA framework.

Registration as a Data Controller of Major Importance triggers a set of ongoing obligations.[9] These include appointing a Data Protection Officer, maintaining Records of Processing Activities, conducting Data Privacy Impact Assessments before launching new data-intensive products, implementing breach notification procedures, and filing annual Compliance Audit Returns through a licensed Data Protection Compliance Organisation. Failure to register or file Audit Returns on time constitutes a violation of the NDPA and attracts regulatory sanctions, including fines and enforcement action, and businesses face an immediate window in which to complete registration, audit, breach-readiness, and cross-border transfer reviews.

CONSUMER PROTECTION AND THE FCCPC: WHAT OPERATORS MUST KNOW ABOUT BONUSES AND PROMOTIONS

A gaming license from LSLGA or the FSGRN does not exhaust an operator's regulatory exposure. The Federal Competition and Consumer Protection Commission (“FCCPC”), established under the Federal Competition and Consumer Protection Act 2018 (“FCCPA”), exercises concurrent authority over any business that deals with Nigerian consumers, and gaming and betting operators fall squarely within its reach.

The FCCPA empowers the FCCPC to investigate and address anti-competitive practices,[10] deceptive advertising, and unfair trading practices that affect consumers, and specifically provides the Commission with authority over consumer protection issues in the sports betting space, including misleading promotions and inadequate disclosure of terms and conditions. The FCCPA also details the FCCPC's enforcement powers, including the authority to conduct investigations, issue fines, and take legal action against entities engaging in unfair practices.[11]

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[9] Article 9 of The General Application and Implementation Directive 2025
[10] Section 17(b) of the Federal Competition and Consumer Protection Act, 2018
[11] Section 18 of the Federal Competition and Consumer Protection Act, 2018

For gaming operators, the area where FCCPC's scrutiny is most practically felt is in the design and communication of bonuses, welcome offers, free bets, cashback schemes, and promotional competitions. The FCCPA prohibits false, misleading, or deceptive representations in connection with the marketing of any goods or services.[12] This means that any promotional communication, whether on a website, in an advertisement, or through push notifications, must accurately reflect what a user will actually receive and under what conditions. An operator who advertises a "₦50,000 welcome bonus" without clearly disclosing wagering requirements, expiry dates, minimum odds, or withdrawal restrictions risks a finding of deceptive representation. The FCCPC's standards require that key terms governing any offer be disclosed prominently and in plain language, not buried in fine print or accessible only via a hyperlink that most users will not follow.

Consumer complaints related to unfair promotions, unclear terms and conditions, or unfulfilled prizes are taken seriously, and failure to comply can result in fines, suspension of advertising rights, or revocation of licenses. The FCCPC has demonstrated a willingness to pursue enforcement across sectors, including against large multinational companies, and the gaming industry should not assume it operates outside this risk.

Advertising must also comply with the Advertising Regulatory Council of Nigeria ("ARCON") Act 2022, alongside the FCCPA. ARCON regulates the content and placement of advertisements, and gaming promotions are subject to prior approval requirements in several states before campaigns go live.[13] Content that implies that gaming is a reliable route to financial security or that targets vulnerable individuals or minors will attract regulatory attention from both ARCON and the FCCPC simultaneously.

CONCLUSION

The Nigerian gaming and betting regulatory environment has matured considerably, and for the first time in the industry's history, the rules of engagement are genuinely clear. The Supreme Court's 2024 ruling settled the federal-state question. The FSGRN's URC has created a practical single-entry route across 22 states. The NDPA and the FCCPC have established credible data protection and consumer protection frameworks that regulators are now actively enforcing.

For an operator entering this market, clarity is an advantage only for those who treat compliance as a design principle rather than an afterthought. The right license category must be identified before a single naira is accepted. Geo-fencing and state-level reporting must be embedded in the platform architecture from the start. NDPC registration must be completed before going live. And every bonus or promotion communicated to users must meet the FCCPC's standards on fair dealing and transparent representation.

Nigeria's market is large, it is growing, and the framework now exists to support serious operators. Regulatory credibility here is not a cost of doing business; it is a competitive asset, and increasingly, it is what investors and institutional partners look for first.

[12] Section 18(3) of the Federal Competition and Consumer Protection Act, 2018
[13] Section 8 and 9 of Advertising Regulatory Council of Nigeria Act 2022

CONTACTS

ROTIMI AKAPO
rotimi.akapo@advocaat-law.com

ADEYEMI OWOADE
adeyemi.owoade@advocaat-law.com

INIMFON EKPENYONG
inimfon.ekpenyong@advocaat-law.com

FAVOUR ODUNOWO
favour.odunowo@advocaat-law.com

AYOOLUWA ADEKOJE
ayooluwa.adekoje@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