ADVOCAAT LAW PRACTICE

REGULATORY UPDATE

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

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Dear Esteemed Client,

The Nigeria Revenue Service ('NRS'), the National Agency for Food and Drug Administration and Control ('NAFDAC'), the National Information Technology Development Agency ('NITDA'), the Nigerian Communications Commission ('NCC'), the Central Bank of Nigeria ('CBN'), the Securities and Exchange Commission ('SEC'), the National Insurance Commission ('NAICOM'), and the Federal Competition and Consumer Protection Commission ('FCCPC') issued a series of press releases, circulars, directives, guidelines and public alerts in August 2026 containing information and directives for various sectors and the general public. We hope that you find the information useful in your operations.

NRS ISSUES GUIDELINES ON THE TAXATION OF VIRTUAL ASSETS

On 3rd August 2026, the NRS issued the Guidelines on the Taxation of Virtual Assets, establishing an administrative framework for the taxation of cryptocurrency and other virtual assets transactions in Nigeria. The Guidelines are issued for the information and guidance of taxpayers, Virtual Asset Service Providers ('VASPs'), Peer-to-Peer ('P2P') marketplace operators, tax consultants, financial institutions, and all persons engaged in virtual asset activities.

Developed in line with the Nigeria Tax Act 2025 and the Nigeria Tax Administration Act 2025, the Guidelines set out the applicable tax obligations, including registration, reporting and record-keeping requirements, valuation principles (including the Dollar-referenced valuation and the fair market value of the asset at the time of the transaction) and the tax treatment of virtual asset transactions.

For more information, please refer here.

NITDA PUSHES FOR A NATIONAL REGULATORY SANDBOX

The NITDA has called for stronger collaboration among government regulators to accelerate the implementation of Nigeria's National Regulatory Sandbox. The Sandbox will provide a coordinated framework for innovators and regulators to test emerging technologies while maintaining compliance with applicable laws and regulatory requirements.

The initiative has now moved from the design phase to implementation, with participating regulators expected to review and refine the proposed governance and implementation framework. The Sandbox is expected to support innovation across sectors, including fintech, healthcare, mobility and agriculture, while strengthening regulatory coordination and oversight.

For more information, please refer here.

CBN REVIEWS DISCOUNT WINDOW RESTRICTIONS AND OPEN MARKET OPERATIONS PARTICIPATION FRAMEWORK

The CBN has reviewed its framework governing access to the Discount Window, Tenored Repurchase ('Repo') Operations and participation in Open Market Operations ('OMO'). Under the revised framework, restrictions on access to the Discount Window arising from participation in the Nigerian Foreign Exchange Market ('NFEM') and primary auctions of Government securities have been removed. However, the existing restriction preventing institutions that access the Discount Window from participating in OMO auctions on the same day remains in force.

The CBN also lifted the suspension on Tenored Repo Operations and may conduct repo operations across approved tenors ranging from 4 to 90 days. In addition, OMO participation in both the primary and secondary markets are open to eligible individuals, corporates and non-bank financial institutions through Deposit Money Banks (DMBs), which will continue to submit bids and settle transactions on behalf of their customers.

For more information, please refer here.

NAFDAC STRENGTHENS REGULATORY OVERSIGHT OF BLOOD AND BLOOD PRODUCTS

On 13th August 2026, NAFDAC announced the need to strengthen its regulatory oversight of blood and blood products in Nigeria, in line with the World Health Organisation's recommendation that blood and blood products be regulated by National Regulatory Authorities as essential medicines. The initiative received the support of the Minister of Health and Social Welfare.

NAFDAC stated that the enhanced oversight will cover the entire blood transfusion chain (from donor assessment and collection through testing, processing, storage and transportation to use) and that it had established a dedicated Vaccines, Biologicals and Medical Devices Registration and Regulation Directorate to oversee the registration and regulation of blood and blood products in Nigeria.

For more information, please refer here.

SEC IMPLEMENTS FATF STATEMENTS ON HIGH-RISK JURISDICTIONS

SEC has issued a circular directing all Capital Market Regulated Entities ('CMREs') to implement measures in line with the Financial Action Task Force's ('FATF') updated statements on high-risk jurisdictions and jurisdictions under increased monitoring. CMREs are required to apply the prescribed restrictions and enhanced due diligence measures to business relationships and transactions involving the Democratic People's Republic of Korea, Iran and Myanmar, based on the specific risk level and measures applicable to each jurisdiction. CMREs are also required to apply appropriate risk-based measures in respect of jurisdictions placed by the FATF under increased monitoring including Algeria, Angola, Bolivia, British Virgin Islands ('BVI'), Bulgaria, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Haiti, Kenya, Lao PDR, Lebanon, Monaco, Namibia, Nepal, South Sudan, Syria, Venezuela, Vietnam, and Yemen.

SEC further directed all CMREs that have not subscribed to Nigeria's Sanctions ('NigSac') Alerts system to do so immediately and mandated CMREs to promptly report unusual or suspicious transactions to the Nigerian Financial Intelligence Unit ('NFIU'). The directives take immediate effect, and non-compliance may constitute a breach of the Investments and Securities Act, 2025 and the SEC AML/CFT Rules and Regulations, attracting sanctions including fines, suspension of operations or revocation of registration.
For more information, please refer here.

SEC DIRECTS FREEZING OF ASSETS OF DESIGNATED TERRORISM FINANCIERS

SEC issued a circular directing all Capital Market Regulated Entities ('CMREs') to implement the Nigeria Sanctions Committee's ('NSC') sanctions imposed on six individuals and three entities following their designation as terrorist financiers in line with the Terrorism Prevention and Prohibition Act (TPPA) 2022.

CMREs are required to immediately identify and freeze, without prior notice, any funds, assets or economic resources belonging to the designated persons and entities, report frozen assets and attempted transactions to the NSC, and file suspicious transaction reports with the Nigerian Financial Intelligence Unit ('NFIU'). CMREs are also required to prohibit further dealings with the designated persons and entities and continue monitoring for related transactions.

The directives take immediate effect, and non-compliance may attract regulatory sanctions, including fines, suspension of operations or revocation of registration

For more information, please refer here.

NAICOM COMMENCES ISSUANCE OF NEW LICENCES TO RECAPITALISED INSURERS

NAICOM has commenced the issuance of new licence certificates to insurance companies that have met the its revised minimum capital requirements, marking a significant milestone in the ongoing recapitalisation programme. NAICOM stated that the new licences signal a broader regulatory focus on stronger capitalisation, improved corporate governance, product innovation and a more resilient insurance industry. A total of 50 insurance companies declared compliant with the new capital requirements are expected to receive new licences under the phased transition.

NAICOM also announced that its next major regulatory initiative will be the implementation of a Risk-Based Capital framework, under which insurers' capital requirements will be aligned with the risks inherent in their business portfolios.

For more information, please refer here and here

FCCPC ESTABLISHES POSSIBLE PRICE MANIPULATION IN THE CEMENT INDUSTRY

On 18th August 2026, the FCCPC announced preliminary findings from a three-month investigation suggesting possible manipulation of cement prices in Nigeria. The investigation, prompted by public complaints, is examining whether prevailing prices are attributable to legitimate costs and market conditions or may involve coordinated conduct, abuse of market power, restrictions on domestic supply or other anti-competitive practices by cement manufacturers.

FCCPC issued Notices of Commencement of Investigation and Summons to Produce to key industry players, requiring information on pricing methodologies, production, capacity utilisation, exports and relevant commercial relationships. The investigation will continue as it assesses the explanations provided by industry participants for the high retail price of cement in Nigeria, including energy, foreign exchange, transportation and logistics costs, against verified market and cost information.

For more information, please refer here.

FCCPC MANDATES PROPER LABELLING OF MANUFACTURED GOODS

On 19th August 2026, FCCPC issued a public advisory directing manufacturers, importers, distributors and retailers to comply with applicable labelling requirements for consumer goods. FCCPC raised concerns about the sale of products with misleading, incomplete or missing information, including production and expiry dates, batch numbers, manufacturer details, ingredient and allergen information, and country of origin. Businesses have been directed to review their inventories and withdraw non-compliant products from sale.

FCCPC warned that continued distribution or sale of improperly labelled products may attract regulatory enforcement action and stated that it will strengthen market surveillance in collaboration with relevant regulatory authorities

For more information, please refer here.

NAFDAC ALERTS THE PUBLIC TO COUNTERFEIT ORACIRE+ TOOTHPASTE

On 19th August 2026, NAFDAC issued an alert regarding the circulation of a suspected counterfeit product, ORACIRE+ Toothpaste, which is being distributed in Nigeria under the guise of the registered ORACARE+ Toothpaste. NAFDAC stated that market surveillance revealed that the suspected counterfeit closely resembles the registered product in its packaging and overall presentation, making it difficult for consumers to distinguish between them. NAFDAC warned that the origin, composition, safety and quality of the suspected counterfeit product have not been verified and may pose health risks to consumers.

For more information, please refer here.

NAFDAC SEIZES FALSIFIED ANTIMALARIAL WITH A NON-EXISTENT NAFDAC NUMBER IN KANO STATE

NAFDAC has notified healthcare providers, importers, distributors, retailers, Patent and Proprietary Medicine Vendors (‘PPMVs’) and the public of the seizure of a suspected falsified Artemether/Lumefantrine 80mg/480mg antimalarial medicine. The product was intercepted during post-market surveillance in Kano State. NAFDAC confirmed that the registration number displayed on the product is fake and does not exist in its registration database. The product was therefore classified as a falsified medical product.

NAFDAC warned that the use of falsified antimalarial medicines may result in treatment failure, worsening of disease and the development of drug resistance, among other serious public health consequences.

For more information, please refer here.

NAFDAC PLACES PRODUCTS MARKETED BY MOFUS NIGERIA LTD ON ITS WATCHLIST

NAFDAC has placed products marketed by Mofus Nigeria Ltd on its Watchlist pending the outcome of an ongoing regulatory investigation. The action follows findings of significant regulatory non-compliance and potential misrepresentation involving Mofus Nigeria Ltd, Ayrtons Saunders Ltd, UK, and Pharmaserve (North West) Ltd. NAFDAC has commenced a formal investigation and intensified surveillance and stakeholder notification measures in respect of the affected products.

Healthcare professionals, distributors, retailers and other stakeholders have been advised to exercise vigilance, source products only from licensed and authorised suppliers, maintain adequate distribution records and promptly report any suspected quality defects or regulatory irregularities to NAFDAC.

For more information, please refer here.

SEC RELEASES PROPOSED RULES ON DIGITAL AND VIRTUAL ASSETS OPERATIONS, CUSTODY AND MARKETS

On 20th August 2026, SEC released proposed Rules on Digital and Virtual Assets Operations, Custody and Markets for public comments. The proposed Rules will apply to digital and virtual asset activities that constitute investments and securities business in Nigeria, including issuance and offering, tokenisation, trading, custody, transfer and settlement, as well as investment, advisory and related financial services.

The proposed Rules will also apply to persons operating in Nigeria, providing services to persons resident in Nigeria, or targeting Nigerian investors or the Nigerian market, whether directly, indirectly or through digital channels. Stakeholders are invited to submit comments to the SEC Rules Committee via email rulescommittee@sec.gov.ng within two weeks from the date of exposure.

For more information, please refer here.

NAICOM AND IFSB ADVANCE REFORMS IN NIGERIA'S TAKAFUL SECTOR

On 21st August 2026, NAICOM hosted a high-level delegation of experts from the Islamic Financial Services Board ('IFSB') following the completion of a five-day Diagnostic Assessment Mission on Nigeria's Takaful sector. The preliminary findings of the Mission identified measures to strengthen the legal, regulatory and supervisory framework for Takaful in Nigeria.

NAICOM stated that the collaboration with the IFSB is aimed at strengthening financial stability, consumer and policyholder protection, financial inclusion and responsible innovation within the Takaful sector. A comprehensive report will be issued following the review of the preliminary findings and stakeholder feedback

For more information, please refer here.

SEC CLEARS ADDITIONAL VASPs FOR ADMISSION INTO ARIP

SEC has cleared three additional Virtual Asset Service Providers ('VASPs'), for admission into its Accelerated Regulatory Incubation Programme ('ARIP'). The entities will receive SEC's Approval-in-

Principle ('AIP'), allowing them to operate within the scope of the ARIP subject to conditions stipulated by the SEC. The AIP is not a final licence and remains conditional on continued compliance with applicable regulatory, operational and supervisory requirements.

The development underscores SEC's continued efforts to bring VASPs and other digital asset businesses within a controlled regulatory framework while promoting responsible innovation and investor protection.

For more information, please refer here

SEC CLARIFIES IMPLEMENTATION OF T+1 SETTLEMENT CYCLE

SEC has clarified that equities and commodities settled through the Central Securities Clearing System ('CSCS') are to be settled by 5:00 p.m. on T+1, in line with the Delivery versus Payment ('DvP') settlement framework. Where a broker/dealer's trading account is insufficiently funded at the settlement deadline, the default will be managed in accordance with the CSCS Default Management Procedure and applicable settlement guidelines of the relevant Exchange.

SEC further clarified that foreign portfolio investors are not required to prefund their accounts for trades in the Nigerian capital market. However, Capital Market Operators facilitating such transactions must maintain adequate controls and processes to ensure timely funding and settlement within the prescribed T+1 timeline. The clarification reinforces SEC's efforts to improve settlement efficiency, reduce counterparty risk and align Nigeria's capital market with international post-trade standards.

For more information, please refer here

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