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# The Reforms

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## MOFI's N1trn Real Estate Fund Debuts On NGX, Signaling A New Push For Housing, Capital Mobilisation

*The historic listing of the MREIF on the Nigerian Exchange (NGX) was more than a financial milestone; it was a clear statement about Nigeria's readiness to use capital markets to solve real economic growth problems. The commitments shared by the Minister of Finance, Mr. Wale Edun, the steady vision outlined by MOFI's Managing Director, Armstrong Takang, and the practical clarity offered by MREIF's National Coordinator, Sani Yakubu, among others, reveal a coordinated effort to make homeownership achievable for ordinary Nigerians. Enam Obiosio highlights their combined voices offering a turning point for inclusive growth and long-term national development.*

The listing floor of the Nigerian Exchange in Lagos carried a sense of purpose as the Ministry of Finance Incorporated formally introduced its N1 trillion Real Estate Investment Fund, an ambitious effort to open the housing market to ordinary Nigerians while deepening long-term capital mobilisation.

The event drew policymakers, market leaders, and fund managers who described the listing as a major step in Nigeria's ongoing push to use private capital to solve structural challenges.

The Minister of Finance and Coordinating Minister of the Economy, Mr. Wale Edun, used the moment to reassure investors that the federal government would proceed thoughtfully with the recently enacted tax reforms, especially the capital gains tax on securities transactions. He stressed that government would not implement changes in a way that undermines market growth.

"We have heard what you have said on capital gains tax. We will consult in a way that gives Nigeria an optimum result. We will listen, analyse, and decide on what is best for Nigeria and for your markets," Mr. Edun said.

His message was a direct acknowledgement of the unease expressed by operators who fear addi-



L-R: Mr Armstrong Takang, MD of MOFI (2<sup>nd</sup> l); Mr Wale Edun, Honourable Minister of Finance and Coordinating Minister of the Economy (4<sup>th</sup> l); Mr. Jude Chiemeka, CEO of NGX (6<sup>th</sup> l), and other stakeholders at the listing of MREIF on NGX.

tional tax burdens could weaken liquidity. Edun explained that the administration was committed to balancing fiscal efficiency with the kind of market vibrancy required to attract capital and support growth. He reiterated this commitment while ringing the closing bell to mark the official admission of the 1 billion units of the MOFI Real Estate Investment Fund, priced at 100 naira each, onto the Exchange.

Introducing the product, the joint issuing houses, Vetiva Securities Limited and Citi Investment

Capital Limited, called on the NGX to grant immediate trading approval. Mr. Edun commended both the issuing houses and the Exchange for structuring a product that broadens access to wealth creation.

He noted that the equities market has gained about 50 percent year to date, with total capitalisation now around 100 billion dollars in dollar terms, describing this as a marker of rising invest-

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# BANK OF INDUSTRY

*...transforming Nigeria's industrial sector*



Mr Armstrong Takang, Managing Director of MOFI, in a discussion with some stakeholders at the event.

tor confidence. “The improvements in the stock exchange index are a function of confidence; stability in government revenues, economic growth, exchange rate, and reserves,” he said.

Mr. Edun emphasised that pricing the fund at 100 naira per unit was intentionally inclusive. “You have made it possible for ordinary Nigerians, not just the wealthy, to invest, save for the future, and be part of the country’s growth story,” he said.

The minister also disclosed that the Tax and Fiscal Policy Reform Committee had completed its work and that the implementation phase was underway. He gave assurances that fairness and transparency would define the process. “Our goal is to make Nigeria’s tax system more efficient, more transparent, and more equitable,” he said.

Market leaders echoed these sentiments. Mr. Temi Popoola, Group Managing Director and Chief Executive Officer of NGX Group, reminded stakeholders that the capital market remains a key platform for inclusive growth. He urged government to ensure that changes to capital gains tax strengthen rather than weaken market activity. “The capital market is not only a platform for attracting investment but also a tool for creating wealth for Nigerians. Policies such as the capital gains tax must be carefully designed to balance government revenue objectives with investor confidence and market growth. NGX Group remains committed to supporting the Renewed Hope Agenda by channeling private capital into initiatives that deliver sustainable, long-term impact,” he said.

Mr. Ahonsi Unuigbo, NGX Chairman, described the MREIF listing as a defining step toward build-

ing an economy that delivers shared prosperity. Meanwhile, Mr. Jude Chiemeka, the CEO of NGX, said that the listing demonstrated how capital markets can provide practical solutions to national challenges. “By channeling private capital into housing, we are creating opportunities for long-term investment and wealth creation while addressing Nigeria’s housing deficit,” he said.

For MOFI, the listing is not just a capital market milestone but an economic one. Managing Director and CEO, Dr. Armstrong Ume Takang, said the fund was designed to provide long-term, low-cost mortgage financing that can open the door to homeownership for millions. “MREIF provides long-term, low-cost mortgage financing to make homeownership a reality for millions of

Nigerians, stimulating local economies across the housing value chain,” he said.

National Coordinator of MREIF, Mr. Sani Yakubu, explained the structure in more detail. “This fund provides critical leverages that the typical Nigerian requires. This is long-term low cost mortgages. What is long-term? We are doing up to 20 years in terms of the tenor of the mortgages that our program provides,” he said.

Mr. Yakubu noted that the fund offers mortgage financing at a competitive interest rate of 9.75 percent, with a maximum loan tenure of 20 years and a minimum equity contribution of 10 percent. He described the initiative as an answer to the struggles of many Nigerians who work hard yet find it difficult to build wealth because of persistent housing gaps. The MREIF model, he said, has now positioned the country to attract private and institutional capital into affordable housing and sustainable development.

According to Mr. Yakubu, “What we have listed today have made it possible for ordinary Nigerians to be able to be part of the saving and investment culture that we need for us to rely mainly on our own resources in order to grow and develop the economy.”

The closing gong ceremony brought the message home. With more than 1,000 mortgages already disbursed, MREIF is emerging as a model for inclusive economic growth, proving how institutional capital can drive both financial stability and social impact. The listing signals a broader vision: a housing market that empowers citizens and a capital market that fuels national development.

**... the administration was committed to balancing fiscal efficiency with the kind of market vibrancy required to attract capital and support growth**



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**EDITORIAL****Delivering Renewed Hope To Nigeria's Pensioners, But More Work Remains**

We rarely see Nigeria's pension system earn public praise, yet the recent disbursement of N3.9 billion in arrears to 91,146 retirees by the Pension Transitional Arrangement Directorate (PTAD) deserves both our commendation and our scrutiny. The payout, resulting from President Bola Tinubu's approval of a N32,000 increment for those under the Defined Benefit Scheme, marks a step forward in fulfilling the administration's Renewed Hope Agenda. For thousands of retired public servants, the payments are more than numbers - they represent long-awaited recognition.

We must, however, start by giving credit where it is due. For much too long, pensioners - men and women who devoted their lives to service - have endured indignities: delays, neglect, and confusion about entitlements. PTAD's transparency and urgency, as outlined by Head of Corporate Communications, Olugbenga Ajayi, show that change is possible. The breakdown of payments - N1.9bn to 59,865 retirees from parastatals, N830million to 12,976 civil servants, N620m to 9,689 police retirees, and N551m distributed among customs, immigration, and correctional services pensioners - reflects not just accountability but a growing capacity for reform.

We also note the scale of this operation. PTAD now manages payments for over 832,000 retirees - and these improvements incorporate both a fixed increment and targeted percentage increases of 10.66 percent and 12.95 percent, depending on category. These reforms begin in the September 2025 payroll cycle and bring hope that pensioner needs are finally being met with more sensitivity and accuracy. The continued promise and assurance by the Executive Secretary of PTAD, Tolulope Odunaiya, of clearing outstanding arrears and improving welfare is good rhetoric - what matters is action.

But let us not lose sight of the larger picture. For all the recent progress, Nigeria's pension system - especially under the Defined Benefit Scheme - still bears scars of outdated verification practices, poor data management, and bureaucratic inertia. We believe the system must evolve from a cycle of arrears and catch-up payments into one of reliability, dignity, and reform. Pensioners deserve to know when their next payment will come, and that it will be accurate, prompt, and free from hassle.

The pathway forward requires practical and urgent steps. We call for a thorough national audit of pensioner data to reduce disputes. Technology must be

leveraged for automation and individualised account management. We urge lawmakers and policymakers to enshrine protections against arbitrary deductions, fraud, and shifting policy sands. What PTAD achieved this year must be standard, not a rare success.

Communication, too, demands attention. Our retirees should not have to depend on third-party messengers, vague circulars, or unreliable channels for updates on their entitlements. We need direct, dependable systems - SMS alerts, pensioner clinics, toll-free helplines - so those who served can access information easily and securely.

This is where the Renewed Hope Agenda must be more than a slogan. We insist that government and PTAD measure success in the real monthly experience of pensioners. Was my payment correct and on time? Can I easily resolve mistakes? Will I live out my retirement with security, not anxiety?

We commend this disbursement as a sign that some reforms are taking root. Yet, the ultimate measure of progress is whether pensioners - across every department and service - enjoy dignity, predictability, and respect. Hope is not found in a one-off payment, but in the promise of safety, every payday.

**DID YOU KNOW?**

That President Tinubu's reforms are part of the Renewed Hope Agenda, designed to reposition Nigeria across critical sectors including education, energy, infrastructure, and innovation.

Stay tuned for more updates on reform milestones, policy impact, and opportunities for Nigerian citizens. Have feedback or questions? Send us an email at: [editor@thereforms.ng](mailto:editor@thereforms.ng)

**Time to Tell Nigeria's Story — The Position of The Reforms Newspaper**

For far too long, the Federal Government of Nigeria (FGN) has been misunderstood, misrepresented, and misquoted — not for a lack of achievements, but for a tragic deficit in communication. Today, *The Reforms*, a National Newspaper, rises not as a mouthpiece, but as a credible national platform to correct the narrative and restore public confidence in Nigeria's reform-driven trajectory.

Let us be blunt: in the past, government's communication structures had been lethargic, inconsistent, and often reactive. Ministries, Departments, and Agencies (MDAs), despite overseeing groundbreaking reforms across agriculture, power, finance, education, digital innovation, energy, and infrastructure, had largely failed to communicate their successes with clarity and consistency. In their silence, distortions flourished. In their delays, misinformation had taken root.

This was not just a national communication failure — it was a vacuum of narrative power.

It is precisely in this void that *The Reforms* has emerged as a strategic imperative. Our mandate is not to whitewash governments' actions or spread propaganda. We are beholden to spin doctors or political handlers. We are beholden only to the truth — the verifiable, policy-driven, people-impacting truth of Nigeria's reform journey.

The FGN has rightly endorsed *The Reforms* as the non-partisan channel through which MDAs and private sector partners can boldly articulate the ongoing transformation of the Nigerian economy and society. From economic diversification and tax reforms to housing delivery, digital governance, energy transition, and ease of doing business, among others, — we are committed to amplifying facts, not fiction.

Nigeria is not standing still. The country is moving — and moving fast. But without strategic story-

telling rooted in fact and transparency, that movement may be missed or, worse, maligned.

To the MDAs: You are implementing reforms. But reforms do not speak for themselves. You must. And *The Reforms* is here to help you do just that — professionally, objectively, and impactfully.

To the private sector: You are stakeholders in the reform process. Let your voice be heard. Let your innovations and contributions to national development be documented in a newspaper founded on the principle of national interest above noise.

It is time we tell our own story — the Nigerian story — not through borrowed voices or external media filters, but through a deliberate, intelligent platform that understands the nation and its nuances.

This is not a plea. This is a national call to action.

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# Eurobond, Nigeria's Economic Resilience



By Ummie Kabir

According to the Debt Management Office (DMO), this is a “landmark success that demonstrate global investors’ confidence in Nigeria’s fiscal discipline and long-term growth trajectory”. Despite the geo-political tension around the genocide claim in Nigeria, the reform story stands out for the country.

The economic reforms which the Central Bank of Nigeria (CBN) through its orthodox economic policies served as the arrowhead have no doubt paid off as regards the current level of confidence among global economic players.

A bond, with whatever nomenclature, whether Eurobond, Panda bond Yankee Band or Samurai band functions as a loan in which an investor gives a borrowing entity like corporate or government an amount of money for a specific period of time in exchange for periodic interest payments.

The resilience of Nigerian economy was again put to test in the month of November when it shrugged off the threat from no other than America’s President Donald Trump of military action against the country and went ahead to sell and even oversubscribed \$2.35 billion worth of Eurobond.

In the immediate terms, this particular offer reflected the level of investors’ confidence on the economy despite the threat orchestrated by Mr. Trump few days before the Eurobond bid. This signifies a major milestone in the global capital market.

According to the Debt Management Office (DMO), this is a “landmark success that demonstrate global investors’ confidence in Nigeria’s fiscal discipline and long-term growth trajectory”. Despite the geo-political tension around the genocide claim in Nigeria, the reform story stands out for the country.

The economic reforms which the Central Bank of Nigeria (CBN) through its orthodox economic policies served as the arrowhead have no doubt paid off as regards the current level of confidence among global economic players.

Nigeria successfully priced \$2.35 billion in Eurobonds maturing in 2036 and 2046, marking the largest-ever achieved by the country and underscoring strong investor confidence in its macro-economic policies and fiscal management.

The 10-year tenor \$1.25 billion bond, maturing in 2036, was priced at a coupon of 8.6 percent, while the 20-year tenor 1.10 billion note due in 2046, carried a coupon of 9.2 percent.

The transaction, according to Debt Management Office (DMO), concluded penultimate week attracted bids exceeding \$13 billion, reflecting broad-based demand from investors across multiple jurisdictions, including the United Kingdom, North America, Europe, Asia, and the Middle East.

Interestingly, Nigerian investors also participated in the Eurobond offer, signaling domestic endorsement of the government’s reform agenda. Which is quite important as sign post for foreign investors’ confidence on the economy.

President Bola Ahmed Tinubu could not hide his enthusiasm over this development when he proclaimed that “we are delighted by the strong investor confidence demonstrated in our country and our reform agenda. This development reaffirms Nigeria’s position as a recognised and credible participant in the global capital market.”

On his part, the Honourable Minister of Finance and the Coordinating Minister of the Economy, Mr. Wale Edun, noted: “This successful market access demonstrates the international community’s continued confidence in Nigeria’s reform trajectory and our commitment to sustainable, inclusive growth.”

No doubt, the successful pricing of long-tenor instruments at such competitive yields compared to what was obtainable in recent past, reflects strong investor appetite for Nigerian sovereign debt, bolstered by the government’s ongoing policy reforms and prudent fiscal management.

At the heart of these economic reforms which has taken the country to the turning point, is the CBN’s adoption of orthodox monetary policies which heralded moderation in inflation spikes, accretion to external and exchange rate stability.

The country’s debt profile now stands at \$97.24 billion and N149.39 trillion for foreign and domestic debts respectively. The sustainability or otherwise of the huge debt stock has been a subject of debate in the public space. However, the general consensus has been that the purpose or mode of utilization of debts, whether domestic or foreign is what matters.

At the juncture, as we celebrate the acceptance and over subscription of \$2.35 billion Eurobond to the tune of \$13 billion, Nigeria should exercise caution as that might have indicated an overpriced interest rate.

Of particular interest, the recent oversubscription of Nigeria’s Eurobond issuance which was widely interpreted as a sign of investor confidence in the country’s economic prospects. Yes, that could be true, in terms of our current palpable situation amidst Mr. Trump’s threat.

However, a critical dive into the operations international financial players, incentives and macroeconomic environments which Nigeria provides play important roles in investment decisions. More so, there seemed to be much liquidity in the global market thereby making the offers attractive to investors.

Considering the developments in the international financial markets, the offer at 8.6 percent and 9.1 percent for the 10 years and 20 years respectively are quite high. The concern is that the Nigeria may be burdened excessively in servicing facility and eventual repayment at maturity.

It’s now time for Nigeria’s economic planners divert attention to addressing structural deficiencies which made Bonds of whatever nomenclature as safe haven for financial bailouts but rather, attract foreign direct investment (FDI) which is more enduring and rewarding now and in future.

As one analyst posited, “FDI inflows, conversely, strengthen the capital account without worsening the debt profile. Countries like Vietnam and Indonesia have shown how sustained FDI inflows can stabilize currencies and promote export diversification.”

The FDI delivers higher GDP, generate employment, transfer of technology technological, diversify of revenue base and general improvements in standard of living for the citizens.

However, attracting FDI is never a ‘tea party’ of sort. There are basic but very important necessary conditions investment considerations. The country is severely deficient in those basics, especially the infrastructure gaps.

According to the World Bank, “Nigeria faces a massive infrastructure deficit, with its total infrastructure stock at just 30% of its GDP, significantly below the 70% benchmark.” World Bank further that “This shortfall negatively impacts economic growth and poverty reduction, leading to high costs for businesses.”

And under the current circumstance in Nigeria, security is of the utmost importance. This is closely followed by power, motor-able road networks among others. We do hope that a good chunk of the proceeds of the bond would be channeled towards the provision of these critical infrastructure which the World Bank project at about \$3 billion annually over a 30 year period to cover the huge deficit.



Funding Nigeria's Agriculture, Growing Prosperity

# NEXIM Steps Up With Major Reforms, Capital Increase To Power Nigeria's Non-oil Export Revolution



R-L: Mr. Abba Bello, Managing Director of NEXIM

By. Musa Ibrahim

**N**EXIM Bank stepped into the 2025 Lagos International Trade Fair with a clear message that Nigeria's non-oil export engine is ready for a stronger push, and the institution at the heart of that mission is preparing for a major transformation. The Bank's presence at Tafawa Balewa Square, where staff welcomed visitors and promoted export finance solutions across agriculture, manufacturing, and creative sectors, came at a crucial moment in Nigeria's economic story. Non-oil exports rose by 19.6 percent in the first half of 2025 to 3.225 billion dollars, according to the Nigerian Export Promotion Council, signaling renewed momentum in the diversification drive.

NEXIM's booth buzzed with activity as exporters and prospective traders engaged with the bank's team, seeking pathways to new markets. Banners highlighted financing options for cocoa, cashew, urea, processed foods, and creative goods. The bank encouraged visitors to explore funding windows that help Nigerian businesses scale into the global value chain. "Our participation reflects the bank's commitment to promoting Nigeria's non-oil exports, empowering businesses, and facilitating trade growth across Africa and beyond," the bank stated, inviting entrepreneurs to learn

more about tailored export financing solutions.

For many exhibitors, the proposed NEXIM reforms are not abstract policy debates but practical steps that could change their business trajectory. Exporters at the fair noted that a stronger NEXIM, backed by a trillion-naira balance sheet and an Export Development Fund, could ease access to credit, open new regional markets, and reduce their dependence on oil-linked government cycles.

While the trade fair showcased NEXIM's work on the ground, the more decisive development was unfolding in Abuja. The Senate Committee on Banking, Insurance and Other Financial Institutions, chaired by Senator Adetokunbo Abiru, held a public hearing on the Nigerian Export-Import Bank Act Amendment Bill. The proposal seeks to increase NEXIM's capital from N50 billion to N1 trillion, diversify its board, and establish an Export Development Fund that would boost non-oil exports and attract foreign investment. The significance was not lost on the Senate President, Godswill Akpabio, who described the reforms as a covenant with Nigeria's economic future. Represented by Senator Tahir Monguno, he said, "The NEXIM Bank is not just a bank; it is a bridge between our factories and the world. It must be empowered to lead, not just to lend."

Stakeholders agreed that the moment demanded bold reforms. Senator Abiru said the proposed laws would modernise outdated frameworks and make Nigeria's financial system more transparent, competitive, and aligned with global standards. "Effective lawmaking is never a solitary process," he said. "We are here to critically examine both bills and ensure they align with our national goals of economic transformation and financial stability." The Honourable Minister of Industry, Trade and Investment, Dr. Jumoke Oduwole, joined NEXIM executives and private sector players in endorsing the amendment, calling it essential for competitiveness under regional and global trade systems.

For NEXIM's Managing Director, Mr. Abba Bello, the stakes could not be clearer. He reminded lawmakers that the bank's 33-year-old establishing law had outlived current realities. He explained that the present capital of N50 billion, roughly \$US33 million, was far too small for an economy of Nigeria's size, adding, "We fully support the proposal to raise the capital base to at least N500 billion and ideally N1 trillion, to enable NEXIM deliver on its mandate." Mr. Bello also backed reforms that would separate the roles of the Central Bank from NEXIM's board leadership and create an Export Development Fund that would energise export-oriented businesses across the country.

Academics, manufacturers, and financial regulators echoed his concerns. The Capital Market Academics of Nigeria argued that the minimum capital should be N1 trillion to match the financial strength of peer institutions in India, China, and South Africa. The group stated, "NEXIM's undercapitalisation has limited its impact and excluded it from global credit ratings." Commissioner for Insurance, Mr. Olusegun Ayo Omosehin, described the creation of an Export Promotion Trust Fund as "a masterstroke" that would give exporters access to funding for raw materials, logistics, and capital goods. The Nigeria Deposit Insurance Corporation pushed for a seat on NEXIM's board and called for stronger accountability measures for the fund.

The discussion widened to the second bill under review, the Insurance Regulatory Commission Bill, which seeks to replace the 1997 NAICOM Act. Mr. Omosehin said that the new law would reflect modern realities by empowering regulators to supervise digital insurance platforms and merge failing institutions. A major highlight was the proposed Insurance Dispute Resolution Tribunal, which stakeholders described as a transformative reform that would enhance trust. Mr. Omosehin said, "The tribunal will provide quick, affordable and professional redress to policyholders. It will restore trust in the system and encourage more Nigerians to embrace insurance."

...for a healthier insurance industry in Nigeria

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# NAICOM's Quiet Revolution Points To How The Commission Reinvented Enforcement, Digitalisation, Consumer Protection



Mr. Olusegun Ayo Omosehin, Commissioner for Insurance, with Dr. Olubunmi Tunji-Ojo, Honourable Minister of Interior, during the commissioner's working visit to the Honourable Minister in Abuja.

By Jennete Ugo Anya

It did not arrive with fanfare. There were no political proclamations or extravagant unveilings. Yet from May 2024 to October 2025, the National Insurance Commission (NAICOM) quietly executed one of the most far-reaching regulatory reform programmes in Nigeria's financial-services history.

It was a period that reset industry expectations, restored market discipline, and positioned insurance as a strategic pillar of national development.

And just recently, NAICOM engaged Ministry of Interior in strategic talks to drive insurance sector growth and development during a working visit to the Honourable Minister of Interior, Dr. Olubunmi Tunji-Ojo in Abuja.

At the centre of this transformation is a Commissioner for Insurance determined to rebuild public trust, strengthen regulatory integrity, and deliver measurable value to the Nigerian people.

### A New Era of Accountability

The turning point came in early July 2024 when NAICOM summoned the Board of African Alliance Insurance Plc over rising complaints on unsettled claims. It was not the first time a Nigerian insurer had faced such allegations-but it was one of the few times a regulator issued swift, decisive consequences. The company was directed to settle outstanding claims and submit a turnaround plan, with sanctions looming for any default.

It sent a clear message that the era of impunity

in the insurance market was over.

Later that year, NAICOM demonstrated that discipline and opportunity were two sides of the same regulatory coin. On 29 November, 2024, after meeting all compliance requirements, NPF Insurance Co. Ltd received its operational licence-expanding the general insurance market while upholding adherence to standards.

### Rebuilding Trust Through Data Protection, Market Integrity

Nigeria's insurance industry had long suffered from consumer distrust, often driven by fears

around data misuse, opaque claims processes, and unethical business behaviour. To address this, NAICOM activated a series of institutional alliances designed to secure market integrity.

The visit from the Nigerian Financial Intelligence Unit (NFIU) in July 2024 deepened AML/CFT monitoring, surveillance, and data exchange. It enhanced NAICOM's ability to detect illicit flows-ensuring that insurance could not become a blind spot for financial crime.

This commitment to integrity was taken a step further on 22 November, 2024, when NAICOM and the Nigerian Data Protection Commission (NDPC) signed a landmark MoU.

### Key outcomes included:

- A dedicated Data Protection Clinic for insurance operators.
- Industry-wide privacy and compliance guidelines.
- A joint technical committee with NAICOM, NIA, and NCRIB.

With this, NAICOM became the first Nigerian regulator to establish a sector-specific data governance ecosystem-protecting millions of policyholders and future digital users.

### Compulsory Insurance Enforcement: From Paper to Practice

For decades, compulsory insurance laws-especially motor insurance and public building insur-

**NAICOM engaged Ministry of Interior in strategic talks to drive insurance sector growth and development ...**

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ance-suffered weak enforcement despite being enshrined in law. Under the CFI's leadership, this changed dramatically.

The June 2024 meeting with the Inspector-General of Police, IGP Kayode Egbetokun, led to the creation of a nationwide enforcement framework supported by a digital verification system. It was a strategic milestone: compulsory motor insurance finally had the institutional backbone to ensure compliance.

A similar breakthrough occurred with the FRSC collaboration in October 2025, which saw the inauguration of a Joint Committee for real-time insurance verification and improved accident victim support. Together, these partnerships transformed enforcement from fragmented efforts to coordinated national action.

In July 2024, the Public Buildings Insurance Compliance Committee-chaired by DC Ekerete Gam-Ikon-met to strengthen frameworks for implementing Sections 64 and 65 of the Insurance Act 2003. This included working with states to domesticate insurance laws and intensifying sensitisation across Nigeria.

**Digital Transformation and InsurTech Integration**

Understanding that the future of insurance lies in technology, NAICOM accelerated digital innovation across the industry. Its September 2025 partnership with the FinTech Association of Nigeria signalled the regulator's readiness to embrace modernisation.

This partnership is geared toward:

- technology-driven policy distribution,
- automated claims processing,
- digital market inclusion,
- and deeper InsurTech innovation.

NAICOM's leadership had made it clear that if insurance must grow, technology must lead.

**Elevating Policy, Governance, and National Economic Alignment**

Beyond regulation, NAICOM deepened its presence in national economic planning. The courtesy visit from the Nigerian Economic Summit Group (NESG) in September 2025 aligned the industry with NIIRA 2025, national policy reforms, and



L-R: Mr. Olusegun Ayo Omosehin, Commissioner for Insurance (2<sup>nd</sup> I); Dr. Olubunmi Tunji-Ojo, Honourable Minister of Interior (3<sup>rd</sup> I), and other stakeholders, during the commissioner's working visit in Abuja.

macroeconomic strategy. With plans to establish an insurance working group within the NESG, the CFI placed insurance at the heart of Nigeria's economic transformation agenda.

Earlier engagements with RMAFC also underscored insurance as a tool for revenue diversification-particularly in light of Nigeria's \$1 trillion GDP ambition.

**Strengthening the Institution From Within**

Recognising that reforms require strong internal capacity, NAICOM undertook sweeping organisational changes. On 21 June 2024, the Governing Board approved the promotion of five new Directors and established eight new directorates covering Innovation, Market Conduct, Technology, Strategy, and more.

This restructuring modernised NAICOM's internal architecture, aligning it with global regulatory best practices.

**NAICOM accelerated digital innovation across the industry**

**Advocacy, Outreach, and Youth Engagement**

Speaking at the NAS Conference and NCRIB CEO Retreat, the CFI consistently emphasised ethics, governance, sustainability, and market stability. Meanwhile, regional outreach programmes throughout 2025 expanded sensitisation on compulsory insurance, digital adoption, and NIIRA 2025 implementation.

One of the Commission's most transformative social initiatives was its collaboration with the Federal Ministry of Youth to train one million young Nigerians in insurance capacity-building-creating a new generation of insurance-literate citizens and potential professionals.

Between May 2024 and October 2025, NAICOM quietly but confidently reinvented the insurance regulatory landscape. Through enforcement, digitalisation, capacity building, intelligence partnerships, and strong consumer protection, the Commission delivered reforms that strengthened markets, protected citizens, and aligned insurance with Nigeria's national development priorities.

This period will be remembered not just for what NAICOM did, but for how it restored credibility to an entire sector-and demonstrated that regulation, when purposeful and people-focused, can become a force for economic transformation.



Mr. Olusegun Ayo Omosehin, Commissioner for Insurance (I), with Dr. Olubunmi Tunji-Ojo, Honourable Minister of Interior (r), during the commissioner's working visit to the Honourable Minister in Abuja.

# At Geneva Gathering, Dr. Rabiul Olowo Sets Clear Path For Global Sustainability Reporting

By Musa Ibrahim

As soon as delegates from around the world settled into their seats at the Palais des Nations in Geneva on 12 November 2025, the energy in the hall felt both formal and hopeful. It was the opening of the 42nd Session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), and at the center of the room stood a familiar figure. Dr. Rabiul Olowo, Nigeria's Executive Secretary and CEO of the Financial Reporting Council (FRC) and immediate past Chair of ISAR-41, returned to the podium with a calm confidence that reflected a year of intense global work.

He opened with a warm, steady voice that set the tone for the day. "Good morning, excellencies, distinguished delegates, esteemed colleagues, ladies and gentlemen. It is a distinct honour to welcome you to the 42nd Session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting," he said, acknowledging UNCTAD Secretary-General, Rebeca Grynspan, the ISAR Secretariat, and all Member States for the "continued commitment to advancing high-quality, transparent, and decision-useful financial and sustainability reporting across jurisdictions." This was not just ceremony; it was a handover moment, one shaped by the lessons of a demanding year.

## A Year Marked by Collaboration, Hard Choices

Reflecting on his tenure, Dr. Olowo spoke with the humility of someone who recognised the weight of the assignment. "Serving as Chair of the 41st Session has been a privilege," he said, taking a moment to spell out the two priorities that guided the year: advancing harmonization and practical implementation of sustainability reporting, assurance, and ethical standards, and supporting the integration of financial and sustainability reporting through digitalization.

"These priorities reflect our shared commitment to strengthening market trust, enhancing accountability, and supporting sustainable development," he told the delegates. It was a reminder that beyond the technicalities and the endless documents, this work touches real economies, real businesses, and, ultimately, real people.

He described ISAR-41 as a year of proof. Proof that progress is achievable when countries and institutions pursue a common goal. Proof that global frameworks can move closer to interoperability. And proof that capacity building is not an abstract exercise but a tool that can close gaps between regions.

## Concrete Achievements

In a moment that felt almost like a guided tour, Dr. Olowo walked the hall through five major achievements of ISAR-41.

On harmonization, he said, "ISAR-41 significantly deepened the global dialogue on interoperability among sustainability reporting frameworks, including the ISSB Standards and the European Sustainability Reporting Standards." He also highlighted the strengthened collaboration with the International Ethics Standards Board for Accountants, noting that it "reinforced the ethical foundations that underpin credible



Dr. Rabiul Olowo, Executive Secretary/CEO of FRC

sustainability assurance."

He then pointed to the progress on assurance and ethical standards, anchored by the Africa Regional Partnership–IESBA dialogue in May 2025 and an IPSASB consultative meeting on climate-related disclosures. These engagements, he explained, "supported the development of high-quality, independent sustainability assurance practices" and "enhanced user confidence and promoted integrity in sustainability information."

Digital transformation was another pillar. "The expanded use of the UNCTAD Sustainability Reporting Taxonomy and structured, machine-readable formats is improving the accessibility, comparability, and analytical value of reported information," he said. In his view, digitalization was no longer a technical option but a necessity for modern reporting ecosystems.

Perhaps one of the most politically significant achievements came through ISAR's strengthened linkages with the United Nations system. Dr. Olowo recalled his role at the February 2025 ECOSOC Coordination Segment in New York, where he engaged diplomats and the UN Financing for Sustainable Development Office. "The discussions focused on advancing coordinated, inclusive, science-based and evidence-driven solutions to accelerate implementation of the 2030 Agenda," he noted.

Across regions, he added, ISAR's partnerships matured into genuine platforms for peer learning. Countries in Africa, Asia, Latin America, Eurasia, and the Gulf continued to hold technical workshops and capacity-building efforts that helped them align with global standards.

## A Moment of Gratitude and a Firm Look Ahead

Dr. Olowo did not overlook those who worked behind the scenes. He commended the ISAR Secretariat for its "professionalism and strategic leadership" and for ensuring that ISAR remains "a credible, respected, and globally relevant forum."

Then his tone shifted to one of sober clarity as he stressed why ISAR's work still matters. "At a time of global environmental stress, economic uncertainty, and heightening stakeholder expectations, the relevance of ISAR's work is more essential than ever," he said. "Robust reporting is not merely a compliance obligation. It is a foundation for trust, fair markets, responsible investment, and sustainable development."

## What the 42nd Session Will Tackle

The agenda for the new session is tightly aligned with the progress made in the previous one. He told the gathering that the 42nd Session will focus on two priorities: reviewing developments in the harmonization of sustainability reporting requirements and integrating biodiversity and human capital considerations more clearly into reporting.

"These discussions reaffirm our shared commitment to advancing coherent, high-quality, and decision-useful sustainability reporting," he said, highlighting the need for more precision in how companies communicate long-term value creation.

As he rounded off, Dr. Olowo also spoke with the steady gratitude of someone who had carried a difficult assignment and was now passing it on. "The achievements of the past year were made possible through partnership, shared purpose, and collective resolve," he said. "I remain confident that the work undertaken here will continue to shape a more transparent, accountable, and sustainable global economy."

He urged the delegates to step into the new session with purpose. "Let us move forward with clarity, unity, and commitment, knowing that the decisions we shape here contribute to the integrity of global financial systems and to the well-being of societies everywhere."

With that, the hall rose in applause that carried both respect and expectation. A year of work had been wrapped up with honesty and clarity, and the next chapter for global reporting standards had begun.



  
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## Nigeria's Economic Reforms Show Early Gains, But Inclusive Growth Remains The Real Test - Uwaleke



Professor Uche Uwaleke, President of the Capital Market Academics of Nigeria

By Jennete Ugo Anya

Nigeria's sweeping economic reforms are beginning to deliver early wins, but the country must now focus on ensuring that these gains improve the lives of ordinary citizens.

This was the view of Professor Uche Uwaleke, President of the Capital Market Academics of Nigeria, who assessed the nation's recent economic trajectory during an interview recently.

Prof. Uwaleke said key indicators suggest the economy is stabilising faster than many anticipated. Inflation has eased to 18.02 percent, down from over 30 percent, while the foreign exchange market has recorded greater stability, contributing to a rise in external reserves and a stronger current account position.

"I agree with the view that the economy is gradually turning the corner," he said. "The reforms are beginning to yield positive results. Compared to last year, the macro numbers show an economy in better shape."

He noted that investor sentiment has strengthened both at home and abroad, with the stock market returning nearly 40 percent earlier in the year before its recent pullback. According to him, this performance reflects renewed confidence powered by difficult but necessary reforms - including fuel subsidy removal, exchange rate unification, and the rollout of new tax measures beginning in January.

"These reforms in totality have contributed to the kind of confidence the economy is now enjoying," he said, pointing also to Nigeria's favourable credit ratings and the successful Eurobond issuance as signs that global markets are paying attention.

Yet, despite these encouraging signals, Prof. Uwaleke warned that the improvements remain largely "macro" and have not translated into everyday relief for most Nigerians.

"Yes, the macro numbers are improving, but the welfare of the average Nigerian is another matter," he cautioned. "Inflation is moderating and gross domestic product (GDP) is growing at 4.23 percent, but the World Bank has reported that poverty is rising. Beyond the chest-beating, we must make this growth inclusive."

He explained that services continue to dominate GDP growth, while manufacturing and agriculture - the sectors most capable of lifting millions out of

poverty - remain weak. Targeted support, he said, is needed to deepen productivity and expand opportunities for households and small businesses.

Prof. Uwaleke also addressed the recent turbulence in Nigeria's capital market, where over N4.6 trillion was wiped out in a single day. He attributed the sell-off to widespread confusion over the government's capital gains tax (CGT) policy.

"The losses were due to uninformed reports about the implementation of capital gains tax," he said. "After clarifications from the Minister of Finance and the Presidential Fiscal and Tax Reforms Committee, the market rebounded, gaining over N2 trillion."

He stressed that pension funds, REITs, and similar institutional vehicles remain exempt from CGT. He also highlighted the "grandfathering" rule, which ensures that gains made before December 31, 2024, will not be taxed - a measure that helped calm jittery investors.

But Uwaleke reserved his strongest concerns for Nigeria's growing dependence on Eurobond borrowing. He described the trend as both costly and risky, especially in a volatile global interest-rate environment.

"With respect to Eurobonds, we shouldn't be resorting to that market as a financing strategy," he said. "Eurobonds are commercial debts - expensive compared to other loans. They are just 36 percent of our external debt but take up over 55 percent of our debt servicing."

He warned that Nigeria's Eurobond stock has ballooned from \$500 million in 2011 to \$15 billion today, creating a cycle where the country borrows anew to repay maturing bonds - a pattern he described as unsustainable.

"We should de-emphasise commercial debts and prioritise concessional loans from multilaterals and bilaterals - borrowing for productivity, not consumption," he said.

Reflecting on the broader economic outlook, Prof. Uwaleke concluded that while the reforms have set Nigeria on a stronger path, the real priority must now shift from macro stability to human welfare.

"Macroeconomic stability and investor confidence are important, but growth must translate into real benefits for citizens. That's the challenge ahead."

## Quotes of the Week

### President Bola Ahmed Tinubu

As editors and managers of the national information space, you shape narratives, influence public understanding, and decide what becomes national focus. The weight of that responsibility is extremely significant and must be exercised with wisdom, fairness, and a strong sense of national duty.

### Professor Uche Uwaleke, President of the Capital Market Academics of Nigeria

Yes, the macro numbers are improving, but the welfare of the average Nigerian is another matter. Inflation may be moderating and GDP growing at 4.23 percent, but the World Bank has reported that poverty is rising. Beyond the chest-beating, we must make this growth inclusive so that ordinary Nigerians can feel the impact.

### Sam Darwish, Chairman/ CEO of IHS Towers

The current Nigerian administration has done in our opinion a great job in stabilizing and improving the economic outlook of the country as they increase reserves and strengthened the currency, while reducing red tape for businesses among other fundamental actions. So, we are upbeat about Nigeria.

## House Backs President Tinubu's N1.15tn Loan Request As FG Moves To Secure Nigeria's Fiscal Stability In 2025



By Anita Dennis

Nigeria's push to stabilise public finances and keep the 2025 budget on track gained fresh momentum recently, after the House of Representatives approved President Bola Tinubu's request to borrow N1.15 trillion from the domestic debt market.

The approval, which followed the adoption of a report by the House Committee on Aids, Loans and Debt Management led by Hon. Abubakar Hassan Nalaraba, came during a plenary session presided over by Deputy Speaker Benjamin Kalu. Lawmakers agreed that the borrowing forms a critical part of the Domestic Debt Market Programme designed to bridge the widening deficit in the 2025 fiscal plan.

Their decision marked the latest step in a broader borrowing framework already set in motion by the executive and reviewed earlier in the Senate. The House explained that its approval aligns with an upwardly revised budget size of N59.99 trillion - an increase of N5.25 trillion from the original proposal - making additional financing inevitable to maintain fiscal balance.

### A Strategy Rooted in Continuity and Financial Discipline

This House approval dovetails with a series of fiscal moves already unfolding at the Senate, where President Tinubu's strategic financing requests have been examined with speed. Only days earlier, Senate President Godswill Akpabio read a presidential letter seeking the same N1.15 trillion domestic borrowing to close the 2025 budget gap - reinforcing the administration's argument that the funds are essential to transition critical projects from document to delivery.

Sen. Akpabio referred the request to the Senate Committee on Local and Foreign Debt with a directive to return its report within a week. The urgency highlighted the government's intention to prevent delays in executing the 2025 fiscal programme, particularly at a time of global economic headwinds.

Before this, the Senate had already approved a separate external borrowing plan totalling \$2.847 billion, including a \$500 million debut Sovereign Sukuk to expand infrastructure funding nationwide. The Senate Committee on Local and Foreign Debts, chaired by Senator Wamakko Magatarkada Aliyu, clarified that \$2.347 billion would be sourced from the international capital market, while the

Sukuk issue would anchor capital projects across key sectors.

This layered financing structure mirrors the federal government's approach: blending domestic and external loans to avoid over-reliance on any single market - particularly vital at a moment when Nigeria's total public debt sits above N97 trillion.

**Why Lawmakers Say the Borrowing Is Necessary**  
Despite public concerns about rising debt, government officials and lawmakers have remained consistent in their justification. For them, borrowing is not the problem - borrowing without focus is. The Tinubu administration maintains that well-targeted loans remain one of the most effective tools for stimulating economic activity, maintaining investor confidence, and ensuring fiscal stability.

Senator Sani Musa, chair of the Senate Committee on Finance, warned that failing to approve these borrowings could slow or even stall implementation of the 2025 Appropriation Act. Senator Adetokunbo Abiru, who heads the Banking and Financial Institutions Committee, stressed that the loans are not new additions but part of the deficit-financing plan already captured in the Appropriation Act.

He added that the refinancing of a \$1.12 billion Eurobond maturing in November 2025 is essential to avoid default - an event that would harm Nigeria's credit profile.

Senator Adams Oshiomhole, chair of the Senate Committee on Interior, offered broader context. Loans tied to infrastructure, job creation, and productive sectors, he argued, generate economic returns strong enough to justify their cost. What matters is structure, purpose, and execution - parameters he insists the Tinubu administration is adhering to.

### House Extends Mandate to External Borrowing

Alongside the domestic borrowing approval, the House also endorsed fresh external financing of \$2.35 billion through Eurobonds, syndicated loans, bridge financing, or direct borrowing. These funds, lawmakers said, are required to support revenue shortfalls, finance core development projects, and maintain the country's credit stability.

With both the House and Senate moving at a similar pace on multiple loan requests, a clear financial pattern is emerging: the federal government is consolidating a multi-pronged funding strategy to keep the 2025 financial framework operational despite rising obligations and a tightening global market.

### A Deliberate Fiscal Reset Ahead of 2025

Viewed together, the efforts by both chambers of the National Assembly reveal a coordinated push to strengthen Nigeria's fiscal base before the new financial year begins. The approvals are not isolated actions but part of a calibrated plan to insulate the economy from global volatility and domestic revenue pressure.

For the Tinubu administration, securing these borrowings is not merely an accounting exercise - it's a signal of continuity, stability, and commitment to delivering the projects Nigerians expect in 2025.

With the House's approval now in place and the Senate's review window closing fast, Nigeria's fiscal preparations for 2025 have entered a decisive phase - anchored on the belief that targeted financing, prudently managed, remains essential to sustaining national development.

## President Tinubu Defers 15% Fuel Import Duty To 2026 As Stakeholder Push-back Eases Market Jitters, Protects Consumers

By Majeed Salaam

President Tinubu's decision to postpone the implementation of the 15 percent import duty on petrol and diesel has quickly reshaped the conversation across Nigeria's energy sector.

Rather than an indefinite suspension, the government has confirmed the duty will be deferred until at least the first quarter of 2026. This change was prompted by detailed consultations led by Dr. Zacch Adedeji, Executive Chairman of the Federal Inland Revenue Service, who wrote to the president highlighting the need for readiness, smooth rollout, and minimal market disruption.

Dr. Adedeji's official memo put the matter plainly: "This adjustment will provide adequate time for stakeholders to complete alignment on technical templates, public communication frameworks, and import scheduling, thereby minimising disruption to the supply chain and ensuring that the reform achieves its intended stabilising impact." In response, President Tinubu directed that the duty's start date be deferred for further review, emphasising the importance of safeguarding citizens and maintaining a balanced market.

The government had last month approved the ad-valorem duty as a corrective policy to boost local refining, calm market prices, and foster fair competition between imported and Nigerian-made fuels. But concerns quickly surfaced from operators and stakeholders, who warned the levy could drive up petrol prices, worsen inflation, and hike import costs. As Dr. Adedeji further explained, the deferment opens a window for agencies to monitor local refining, cross-check production figures, and adapt the plan to consumer trends.

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) - tasked with ensuring tariff compliance - confirmed the suspension. The agency's Public Affairs Director, George Ene-Ita, said, "It is no longer in view and not implementable at this time." He explicitly noted that Tinubu's approval was received and that the postponement is policy, not speculation.

Oil marketers and sector experts didn't hide their relief. Billy Gillis-Harry, President of the Petroleum Products Retail Outlets Owners Association of Nigeria, saw the government's response as highly pragmatic: "Now that the government has seen that the policy may negatively affect the Nigerian people, it has wisely suspended it. That is the essence of governance, testing, analysing, and acting in the best interest of citizens." Gillis-Harry added, "Import duty is not a bad thing, but 15 percent is a lot. We congratulate the President for realising in good time that a deferment of the 30-day test run was necessary."

Mr. Chinedu Ukadike, National Publicity Secretary of the Independent Petroleum Marketers Association of Nigeria, commended the people-focused approach: "IPMAN commends Mr. President for the suspension of the tax because it would have indirectly fuelled inflation and distorted market forces. We thank him for this people-centred decision."

In the end, the government's move signals sensitivity to the economy's pulse, a willingness to listen, and a drive to balance reform with stability. As refineries prepare to ramp up production, and as market forces evolve, 2026 will be the year to watch for Nigeria's next chapter in downstream fuel policy.



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**Let us be blunt: in the past, government’s communication structures had been lethargic, inconsistent, and often reactive.**

**MDAs, despite overseeing groundbreaking reforms across agriculture, power, finance, education, digital innovation, energy, and infrastructure, had largely failed to communicate their successes with clarity and consistency. In their silence, distortions flourished. In their delays, misinformation had taken root.**

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## NDIC Advises Nigerians To Keep Alternate Bank Accounts For Faster Access To Funds During Distress



Mr. Thompson Oludare, MD/ CEO of NDIC

By Kingsley Benson

The Nigeria Deposit Insurance Corporation (NDIC) has urged bank customers across the country to maintain alternate accounts in other financial institutions to ensure quick access to their funds if any bank comes under stress.

The guidance came from Mr. Thompson Oludare, Managing Director (MD)/ Chief Executive Officer (CEO) of the NDIC, who was represented by Mr. Kazeem Sule Olawale, Director of Claims Resolution, during the recent corporation's Special Day at the 2025 Lagos International Trade Fair themed 'Connecting Business, Creating Value.'

According to the NDIC chief, keeping an alternate account has become a practical safeguard for depositors and an important step in strengthening confidence in the financial system. He explained that the measure forms part of the corporation's broader strategy to improve depositor protection and enhance system stability.

"It is important to emphasise that the safety of bank deposits is a shared responsibility among banks, regulators, and indeed depositors," he said. "Depositors must ensure their account information is up-to-date, including linking their bank verification number (BVN) to all accounts. They must also protect their account details to prevent unauthorised access."

Mr. Oludare noted that having an alternate account - one that carries matching personal information and a linked BVN - allows the NDIC to make faster reimbursements in the unlikely event that a financial institution fails.

He also stressed the need for customers to take

greater responsibility in safeguarding their records. Promptly reporting any unusual activity, he said, is essential to reducing risks. Banks are required to resolve customer complaints within two weeks; cases that remain unresolved after this period may be escalated to either the NDIC or the Central Bank of Nigeria (CBN).

The NDIC boss highlighted improvements in Nigeria's deposit insurance framework as a major step toward deepening public trust. Depositors in Deposit Money Banks (DMBs), mobile money operators (MMOs), and non-interest banks (NIBs) are now insured up to N5 million per depositor, while the coverage for payment service banks (PSBs), microfinance banks (MFBs), and primary mortgage banks (PMBs) stands at N2 million.

"With this expanded coverage, approximately 99 percent of depositors are protected," Mr. Oludare said. "This demonstrates our commitment to safeguarding the financial system and ensuring depositors have the confidence to do business."

He stated that in the rare event of a bank failure, customers with balances above the insured limit would receive an initial payout up to the insured amount, while the remaining balance would be paid as liquidation dividends. These dividends are distributed from the sale of the failed bank's assets on a pro-rata basis, ensuring fairness and transparency.

The NDIC boss reaffirmed that the corporation will continue updating its processes and public awareness efforts to ensure Nigerians understand their rights, protections, and responsibilities as depositors. Strengthening financial literacy, he said, remains at the heart of building a resilient banking system.

### Reforms Nuggets

#### Nigeria's Reforms Power IHS Towers' Strong Q3 Performance

- Nigeria's policy actions lifted IHS Towers' earnings, prompting the company to raise its full-year 2025 outlook.
- IHS Towers' CEO, Sam Darwish, credited the Nigerian government, saying the administration has stabilized the economy, strengthened the currency, increased reserves and cut red tape — steps that improved business confidence and performance.
- Nigeria delivered a standout result for the Group, with Q3 revenue rising 10.6% year-on-year to \$268m, driven by strong organic growth and a stronger Naira.
- The appreciation of the Naira boosted Group performance, contributing to favorable FX movements that supported overall earnings.
- At Group level, revenue reached \$455.1m, an 8.3% increase, despite the Kuwait exit.
- Organic revenue grew 6.6%, supported by higher colocation uptake, new sites, lease amendments, fiber, and escalators.
- Adjusted EBITDA climbed 6.3% to \$261.5m, while the EBITDA margin stayed steady at 57.5%.
- Free cash flow surged 81.2% to \$157.8m, helped by management actions and bond refinancing.
- Cash from operations rose 42.3% to \$259.6m.
- CapEx increased 16.3% to \$77.3m, mainly due to maintenance timing.
- Net leverage improved to 3.3x, staying within target levels.
- In Nigeria specifically, organic revenue rose by \$12.2m (5%), driven by FX resets and escalations.
- The Naira's average rate improved to N1,523/\$1 in Q3 2025, from N1,601/\$1 in 2024, creating an additional \$13.5m FX gain.

## The Impact Of Payment Of Cost Of Collection On Nigeria Economic Growth And Development



**REFORM TALKS**

with

**Muhammad Nami**

**E**conomic growth refers to the increase in the production and consumption of goods and services in an economy over a specific period, typically measured by the percentage change in Gross Domestic Product (GDP). It signifies an improvement in the standard of living, increased employment opportunities, and enhanced economic well-being.

In other words, economic growth is a critical factor in improving the well-being of a nation's citizens and fostering development. However, it must be managed carefully to ensure inclusivity and sustainability.

Nigerians aspire for good governance, accountability and economic prosperity through the taxes they pay. However, the Nigeria's tax authorities (ie both Federal (FCT) and 36 State Revenue Generating Agencies) face significant leadership challenges in driving the expected economic growth. These challenges are primarily due to:

- **Inefficient Tax System:** The tax system is plagued by inefficiencies, low compliance rates, and inadequate coverage. President Bola Ahmed Tinubu's administration has initiated tax reforms to address these issues and enhance economic growth.

- **Lack of Transparency:** Poor coordination between federal and state tax authorities and the absence of a modernized tax framework hinder progress.

- **Low Tax-to-GDP Ratio:** Nigeria's tax-to-GDP ratio stands at 13%, slightly above the International Monetary Fund's recommended 12% and below World Bank's minimum 15%. The current administration targets 18% on or before the end of its first tenure.

To further compound the economic growth and development challenges, is the unavoidable challenge of paying high cost of collection (COC) in some cases to the revenue generating agencies (RGAs) that help in generating revenue in Nigeria. Cost of Collection refers to certain percentage of the gross revenue paid to the Revenue Generating Agencies (RGAs) to enable them fund their operational needs, including payment of salaries, investment in key infrastructural needs of the RGAs; for example, salaries and wages, ICT infrastructure, operational vehicles as well as security of the assets acquired by RGAs.

The implication of this is that, these deductions leave Government at all levels (that is, at both Federal, State and Local Government levels) with limited resources to fund their budgetary needs. Over the past decade, there have been numerous calls by the Government at all levels particularly, the sub-national government (including State and Local Governments) for a fiscal policy review regarding payment of COC to RGAs by the Federation Account Allocation Committee (FAAC).

In response to these calls, the Federal Government recently directed a swift review of COC payment policy to estimate the total losses incurred by government annually due to COC payments and assess the impact of these losses on economic growth and development.

### Estimating total amount of loss due to cost of collection

Estimating the exact amount of losses due to deductions by revenue-generating agencies, such as NNPC and NIMASA for example, requires specific data and analysis. However, the evidence is clear that these deductions adversely affect the nation's revenue, partly due to the underperformance of several RGAs.

Furthermore, some RGAs unlike the FIRS and Nigeria Customs Service (NCS), remit only Operating Surplus to the Government. In other words, while FIRS, Customs and Nigeria Upstream Petroleum Regulatory Commission (NUPRC) are allocated between 4-7% of the Gross Revenue generated by them, the rest of the RGAs remit 'Operating Surplus'. The implication of this is that these RGAs generate, spend and determine what to remit to the Government for

**... economic growth is a critical factor in improving the well-being of a nation's citizens and fostering development**

public goods and services.

As such, the review should not focus primarily on FIRS (NRS effective January 1st, 2026), NUPRC or Customs that remit 100% of their revenue to the Federation's dedicated Account, but the proposed review should be focusing more on other RGAs of the Government that only remit their Operating Surplus.

The presidential directive therefore aims to review and optimize these deductions, potentially increasing revenue available for national development.

### Effectiveness of Nigeria Revenue Service (NRS)

The NRS, established by the Nigeria Revenue Service (Establishment) Act, 2025 (which repeals the Federal Inland Revenue Service establishment act 2007), is charged with assessing, collecting, and accounting for revenues accruing to the Government of the Federation. As the sole revenue collecting agency, NRS will serve federal, state, and local governments.

Despite the potential challenges faced by the NRS, the Service has the potential to streamline tax collection and improve revenue generation in Nigeria. With effective implementation and mitigation of potential challenges, the agency can play a crucial role in supporting the nation's economic growth and, or development.

The following are likely to be the challenges to be faced by NRS:

- **Infrastructure and Capacity gaps:** NRS may face challenges in effectively carrying out its functions due to inadequate infrastructure, insufficient trained

personnel, or lack of robust digital systems.

- **Coordination with State and Local Governments:** Collaboration between NRS and state and local governments will be crucial for successful tax administration.

- **Digitalization and Tax Compliance:** NRS will need to leverage technology to track digital transactions and ensure tax compliance.

i. **Mitigation Steps**

To address the above potential issues, the following steps can be taken:

- **Investment in Digital Infrastructure:** Implementing a robust digital system will enhance tax collection, reduce leakages, and improve efficiency.

- **Capacity Building:** Providing training and capacity-building programs for NRS personnel will ensure they are equipped to handle their responsibilities.

- **Stakeholder Engagement:** Engaging with state and local governments, taxpayers, and other stakeholders will facilitate smooth implementation and address concerns.

- **Clear Guidelines and Regulations:** Establishing clear guidelines and regulations will provide clarity on tax administration and compliance requirements.

In conclusion, it's my personal opinion that the review of the Cost of Collection Policy by the Federal Government should be focusing on Revenue Generating Agencies that are currently remitting operating surplus. Revenue Generating Agencies like FIRS, NCS and NUPRC are already remitting 100% of their revenue to the Federation Account. They are in turn allocated between 4 – 7% by FAAC for the purpose of funding their operational needs. The net revenue amount of between 96% to 93% (as the case may be with COC approved for each of the RGAs) are shared monthly by FAAC to the Government at all levels.

If this transparent and accountable way of revenue generation, remittance and management is sustained and all other Revenue Generating Agencies remit their revenues in full, receiving minimal funding of 4-7% for operational needs, it would create additional resources to bolster our economic growth and development. Additionally, this practice would motivate RGAs currently remitting operating surplus to enhance their performance for the benefit of the country and themselves. This is because 4 – 7% to be allocated to them from their own 100% by the Government may not be enough to cater for their operational needs. They would therefore need to work harder to earn this 4 – 7% of their total revenue that would be enough for them to be able to pay salaries, build staff capacity, invest in capital projects, etc.

*Mr. Muhammad Nami is Founder/Chairman of Manam Professional Services.*

*He was the immediate past Executive Chairman, Federal Inland Revenue Service (FIRS), Joint Tax Board (JTB) and was the immediate President of the Commonwealth Association of Tax Administrators (CATA).*