

BKLC COVID-19 BRIEFINGS II:

FURTHER BUSINESS AND REGULATORY CONSIDERATIONS FOR NIGERIAN COMPANIES DURING THE COVID-19 PANDEMIC

As the COVID-19 pandemic continues to disrupt global markets and businesses, governments are working to institute responses that adequately constrain the spread of the virus while alleviating businesses and individuals distressed by the pandemic. The federal and state governments in Nigeria are also working to address the effects of the pandemic on businesses.

Responses from Nigerian Government Agencies

The National Assembly recently passed an Emergency Economic Stimulus Bill to provide temporary relief to companies and individuals and alleviate the adverse financial consequence of the economic downturn resulting from the pandemic. The Central Bank of Nigeria has provided for a [NGN50 billion facility for households and MSMEs in Nigeria](#) as well as a NGN100 billion credit support facility for the Nigerian healthcare sector. Lagos State and the Federal Government have issued regulations to curtail the spread of the virus. Regulators including the Corporate Affairs Commission, the Securities and Exchange Commission, the Nigerian Stock Exchange, the Federal Inland Revenue Service and the Nigerian Judiciary have issued guidelines on business continuity measures during the pandemic. For more information on the details of these responses, please see our article [here](#).

COVID-19 and the Maritime Industry

The maritime sector is at the center of the COVID-19 supply chain disruptions. Lockdowns and port closures instituted by national governments has led to a significant reduction of operations at seaports and is adversely

affecting shipping companies. Shipping companies under charter party arrangements may have to consider a number of questions during this period, including questions of what amounts to an off-hire, whether COVID-19 triggers the Infectious or Contagious Diseases clause, and whether the pandemic will trigger a force majeure. These questions are addressed in our article on contractual issues in Africa's maritime industry during COVID-19. For more information, please find the article [here](#).

COVID-19 and Virtual Annual General Meetings (AGMs)

The lockdown instituted by the Nigerian Federal Government has raised a question on the legality of public companies holding virtual AGMs. The Companies and Allied Matters Act (CAMA) governs the conduct of general meetings. The question is generally resolved on the question of what amounts to 'venue' for the purposes of CAMA. Does a Nigerian virtual (IP) address qualify as a venue under the law, especially since in-person meetings are impossible during this period? For more information on our responses to these questions, please see our full-length article on the topic [here](#).

Recent NERC Order on the Transition to Cost Reflective Tariffs in the Nigerian Electricity Supply Industry (NESI)

NERC issued an order suspending the proposed tariff increase which was to go into effect on 1 April 2020. The Minor Review Order under which that tariff was increased will be replaced with a new Order to be issued on 30 June 2020. Power distribution companies (DisCos) have been instructed to submit new cost recovery



plans and Performance Improvement Plans. These new plans show a move toward a 'service reflective tariff' system as NERC intends to emphasize an improvement in service quality when considering tariff increases. To finance this improvement in service quality, NERC expects the DisCos to raise financing by leveraging on, among several options, an escrow of the revenues from service areas and the opportunities of sub-franchising and embedded generation. For more information on our analysis of the Order, please find our full-length article on the topic [here](#).

BKLC has issued a number of articles summarizing some of the concerns for

businesses during this pandemic as well as considerations for addressing those issues. We encourage you to visit our [COVID-19 resource center](#) for information that may affect your business during the COVID-19 pandemic. For further information on how the regulatory responses to COVID-19 as well as any of the business disruptions resulting from COVID-19 directly affects your business, contact [Brooks and Knights Legal Consultants](#).

Are you a Nigerian businessowner or otherwise interested in investing in Nigeria, Brooks and Knights Legal Consultants provides bespoke legal advisory and policy advocacy services relevant to your business. [Contact Us](#).

