

## BKLC COVID-19 BRIEFINGS:

### STATE AND REGULATORY RESPONSES TO COVID-19 IN NIGERIA

Brooks & Knights Legal Consultants<sup>1</sup>

---

#### 1. Introduction

In Nigeria, federal and state governments are taking proactive steps to curtail the spread of coronavirus throughout the country. As the country experiences a steady increase in the number of confirmed cases, movement restrictions and lockdowns are being instituted to adequately respond to the pandemic. These situational responses affect businesses including in their interactions with their relevant regulators. We have previously highlighted the details of some of the Nigerian Federal Government's responses such as the Nigerian [National Assembly's Emergency Stimulus Bill](#), the [Central Bank of Nigeria's policy measures in response to COVID-19](#), and its [dedicated credit facility to develop the healthcare sector](#).

Some of the other state, federal and regulatory responses to COVID-19 that affect businesses are discussed below.

#### 2. Regulatory Responses to COVID-19

##### *Securities and Exchange Commission's (SEC) Response – E-filings of Applications and Returns and Deadline Extensions*

The SEC, as part of its COVID-19 response efforts, has adopted an electronic filing approach for capital market operators and stakeholders. In its circular dated 14 March 2020, it assigned certain designated email addresses for the electronic filing of applications and returns. It also indefinitely suspended all fresh applications for capital market operators and referred requests and enquiries regarding pending applications to its email address dedicated for that purpose.

The SEC also approved a sixty (60)-day extension for public companies and capital market operators to file their 2019 annual reports and their 1<sup>st</sup> quarter 2020 reports. It also indefinitely postponed its first Capital Market Committee Meeting for the year 2020, which was previously scheduled to hold on 23 April 2020, along with all its other meetings. Since we are seeing more adoption of virtual meetings in public spaces, it may just be a matter of time before the SEC adopts this approach too.

Please see [the SEC Circular](#) for more information on its response.

The SEC issued an additional circular to all regulated entities on 31 March 2020, directing public companies to continue to make material disclosures to their investors on COVID-19's impact on their business operations. Public companies are also required to continue to disclose the trend and outlook for

---

<sup>1</sup> **Brooks & Knights Legal Consultants (BKLC)** is a law firm established in Lagos, Nigeria to provide bespoke legal advisory and policy consulting services to individuals, corporates, government agencies and NGOs.



their companies, as well as updates on the implementation of business continuity plans. These disclosures are to be made on companies' websites and other relevant media. Debt issuers are required to continue to engage Trustees to ensure that relevant disclosures are provided, and Trustees are required to provide updates to the SEC.

The SEC also confirmed in the additional circular that due to the cessation of movement in Lagos, Ogun and the Federal Capital Territory, its staff will be working remotely and all its electronic channels are open to provide support to capital market stakeholders.

Please see [the additional SEC Circular](#) for more information.

#### *The Judiciary's Response - Suspension of Court Sittings Across the Country*

The National Judicial Council (NJC), through its Chairman, Justice Mohammed Tanko (Chief Justice of Nigeria), has directed the heads of courts across the country to suspend all court sittings for an initial period of two (2) weeks, from 24 March 2020. However, matters that are urgent, essential or time bound under Nigerian law are exempted from the suspension.

Please see [the NJC Notice](#) for more information on its response.

#### *Federal Inland Revenue Service's (FIRS) Response – E-filing of Taxes and Deadline Extensions*

The Chairman of the FIRS issued an announcement on 23 March 2020, on the agency's response to the COVID-19 pandemic. He encouraged taxpayers to use its e-platforms to file tax returns, pay taxes and apply for tax clearance certificates. He expressed that emails and telephones will be the preferred engagement methods in dealings with the FIRS.

The agency also extended some palliatives to taxpayers during this period including an extension of the timeline for filing Value Added Tax and withholding tax to the last working day of the month, following the month of deduction; and an extension by one month, of the due date for filing corporate income taxes. Taxpayers registered on the e-filing platform are encouraged to submit their tax returns on the platform or submit to the dedicated agency email addresses. Taxpayers are allowed to file their returns without audited accounts insofar as they submit those audited accounts within two months of the revised due date of filing.

Please see [the FIRS announcement](#) for more information on its response.

#### *Nigeria Stock Exchange's (NSE) Response – Remote Trading and Electronic Filings*

The NSE also issued a Circular in expressing its response to the pandemic. From 24 March 2020, it has activated a thirty (30)-day remote working plan for its employees, excluding essential staff. From 25 March 2020, remote trading via the NSE electronic platforms will be the preferred trading method as all trading floors will be temporarily closed. Issuers are encouraged to continue to submit their regulatory filings electronically via the Issuers' Portal.



The NSE has also temporarily suspended all physical meetings within its premises, encouraging virtual meetings in its place.

Please see [the NSE Circular](#) for more information on its response.

#### *Corporate Affairs Commission's (CAC) Response – AGMs via Proxies*

The CAC issued a Notice on 26 March 2020, in response to the restrictions resulting from COVID-19 encouraging public companies to take advantage of the provisions of section 230 of the Companies and Allied Matters Act, C20 LFN 2004 (CAMA) to hold their annual general meetings using proxies. It issued guidelines for this process, which provides that:

- i. the CAC's approval must be obtained before such meeting by proxy is held;
- ii. the CAC's representative must be present to observe such meeting;
- iii. the meeting shall only discuss the ordinary business of the annual general meeting as provided under section 214 of CAMA;
- iv. notice of the meeting and proxy forms should be sent to all members of the company at the company's expense and evidence of postage or delivery must be made available to the CAC; and
- v. for the purpose of determining quorum, each duly completed form shall be counted as one.

Please see [the CAC Notice](#) for more information on its response.

### **3. State Responses to COVID-19**

Many states have restricted airport and inter-state travel to curtail the spread of COVID-19. Open markets in many states are being closed or allowed to open at specific hours in order for state agencies to disinfect those spaces for COVID-19. Some state governments such as Lagos State have undertaken more stringent measures such as instituting curfews. Lagos State Governor also issued the Lagos State Infectious Diseases (Emergency Prevention) Regulations 2020 via his powers under the State's Public Health Law and the Federal Quarantine Act, Q2 LFN 2004. The provisions of this Law are discussed below.

#### *Lagos State Infectious Diseases (Emergency Prevention) Regulations 2020*

The Regulations designate COVID-19 as a Dangerous Infectious Disease within the meaning of section 2 of the Quarantine Act, noting that it constitutes a serious and imminent threat to the public health of the people of Lagos State. It grants the Governor powers to direct a potentially infectious person within Lagos State to go to a place specified for COVID-19 screening or to go into isolation. A potentially infectious person is defined as a person who is or may be infected or contaminated with COVID-19 and for whom there is a risk that such person may infect or contaminate other persons within the State. A potentially infectious person under the Regulations is also a person who has been in an infected area within fourteen (14) days preceding arrival and entry into Lagos State.

The Regulations grant the Governor the power to restrict movement within, into or out of the State, particularly the movement of persons, vehicles, aircraft and watercraft. This restriction may not apply to the transportation or movement of, as well as movement for the purposes of procuring essential supplies, such as food, water, pharmaceuticals, medical supplies and medicines, and any other essential supplies the Governor may deem necessary.

The Regulations grant the Governor the power to restrict or prohibit the gathering of persons without the Governor's consent, restrict the conduct of trade, business and commercial activities within the state, and to order the temporary closure of markets, except those selling or manufacturing essential services. The Governor is also empowered to prohibit the hoarding or inflating the prices of essential goods and services and direct such goods or service to be seized and utilized to address the supply needs of the State.

A breach of the Regulations is an offence under Quarantine Act and Lagos Public Health Law and is liable to a fine or imprisonment or both in accordance with those laws.

#### **4. Federal Government Responses to COVID-19**

On 29 March 2020, the Nigerian President, Muhammadu Buhari, addressed the nation on the Federal Government's efforts to curtail the spread of COVID-19 within the country.<sup>2</sup> In his address, he directed a cessation of all movements in in Lagos State, Ogun State and the Federal Capital Territory for an initial period of fourteen (14) days. Although, the cessation of movement in Ogun State was postponed until Friday, 3 April 2020, lockdown in Lagos and Abuja was ordered to commence on Monday, 30 March 2020. This lockdown is to enable the government to track the spread of COVID-19 within these areas.. Citizens in these states have been directed to stay at home during the lockdown. Inter-state travel within these states are restricted and all businesses and offices within these states are fully closed during the lockdown period.

Certain businesses were exempted from the lockdown restrictions particularly those providing health related and essential services, including hospitals and related medical establishments, organizations in healthcare related manufacturing and distribution, as well as commercial establishments involved in food processing, distribution, and retail companies, petroleum distribution and retail entities, power generation, transmission and distribution companies and private security companies. Workers in telecommunication companies, broadcasters, print and electronic media who are able to prove they are unable to work from home are also exempted. Seaports in Lagos state are also exempted as well as vehicles and drivers conveying essential cargoes from the seaports to other parts of the country, which will be screened before departure by the Ports Health Authority. The President also noted the government's drive to provide relief materials to communities who will be affected by the restrictions.

---

<sup>2</sup> CNBC Africa, COVID-19: Lagos, FCT, Ogun State to go into Lockdown, 29 March 2020, available at <https://www.cnbc africa.com/coronavirus/2020/03/29/covid-19-lagos-fct-ogun-state-to-go-into-lockdown/>, accessed on 1 April 2020.



On Monday, 30<sup>th</sup> March 2020, the President signed the Federal Government’s COVID-19 Regulations of 2020<sup>3</sup> which declared COVID-19 a dangerous infectious disease and granted a legal basis to the directives stated in the President’s address. The Regulations further institute a moratorium on loans implemented through Bank of Industry, Bank of Agriculture and the Nigeria Export Import Bank. Financial and money markets are exempted from the lockdown to run skeletal services and allow Nigerians access to online banking services. Critical staff members of the CBN, deposit money banks, the Nigeria Interbank Settlement System (NIBSS), mobile money operators and payment solution providers are also exempted from the lockdown.

## 5. Conclusion

Brooks and Knights Legal Consultants will continue to follow and issue updates to our clients and valued partners concerning the regulatory responses from Nigerian agencies to COVID-19. Please see [our COVID-19 resource centre](#) for up to date information on institutional responses to COVID-19 as well as how the pandemic may affect your business.

---

<sup>3</sup> Onyinye Nwachukwu, Buhari Signs COVID-19 Regulations 2020, 31 March 2020 (Business Day), available at <https://businessday.ng/lead-story/article/buhari-signs-covid-19-regulations-2020/>, accessed on 1 April 2020.

