

Benchmac & Ince

CORPORATE NEWSLETTER



CONTENT GUIDE

October- December 2023 | 4th Quarter (Q4), 2023 Edition.

1. Introduction
2. The Economy
3. Corporate News
4. Power
5. Energy
6. Infrastructure
7. Taxation
8. Startups
9. Legislation Watch

Editor's Note

Introduction



Happy new year and welcome to another edition of the Benchmac & Ince Corporate Newsletter. Like always, Q4 of every year is intriguing as it brings to a wrap the corporate, economic and policy shaping events that occurred throughout the year in review. This Q4 2023, Inflation continued on its negative trajectory for the Nigerian populace to 28.2% in December. The local currency the Nigerian naira also recorded a record 96.55% loss to the US dollar in 2023, affecting the prices of consumer items and goods. In the investment space, Nigeria is gearing up to a \$6 billion investment in the oil sector from Total Energies, and Oando is set to build an electric vehicle facility in Cross-River state following agreement reached at the sidelines of COP28.

We do hope you enjoy the carefully selected news items for this quarter.



THE ECONOMY

President Tinubu Signs N2trn Supplementary Budget into Law.

President Bola Ahmed Tinubu signed a N2 trillion Supplementary budget into law on November 8 2023. The supplementary budget is touted to address the urgent security and economic needs of the nation. The President commended the National Assembly for ac-

ceding to his request and ensuring the swift passage of the appropriation bill.

[Read more](#)



Nigeria's Inflation Rises to 28.2% ahead of Christmas.

Nigeria's consumer prices rose to 28.2% ahead of Christmas celebrations from a previous 27.3% recorded in November. This is largely because of the continued Naira depreciation and higher fuel prices. The Consumer Price Index report issued by the National Bureau of Statistics revealed that inflation attained a new 18-year high of 28.20% in November from 27.33% the previous month while food inflation which makes up the 50% of the inflation rate rose to a

new 18-year high of 32.84% in October from 31.52% in September.

[Read more](#)



NIGERIA'S EXTERNAL RESERVES LOSES \$4.28BN AS NAIRA CONTINUES TO FALL.

According to data released by the Central Bank of Nigeria (CBN), Nigeria's external reserves (the stock of



foreign assets held by the bank) reduced from a previous \$37.06 billion recorded in January 2023 to \$33.78 billion in December representing an 11.55% decrease. The continued decrease in the country's external reserves is blamed on the declining oil revenues caused by a reduction in the prices of crude and the increased demand for foreign exchange. [Read more](#)

BUSINESS ACTIVITY IN NIGERIA HITS EIGHT MONTH LOW

Purchasing Managers Index has shown that Business Activity in Nigeria has dropped to the lowest in eight months as a result of the ever-worsening inflation. Stanbic IBTC released a PMI which showed that the headline index dropped to 48.0 in November 2023 from 49.1 in October. Whereas readings above 50.0 show an improvement in business conditions, those below shows deterioration. [Read more](#)

Nigeria's Purchasing Managers' Index

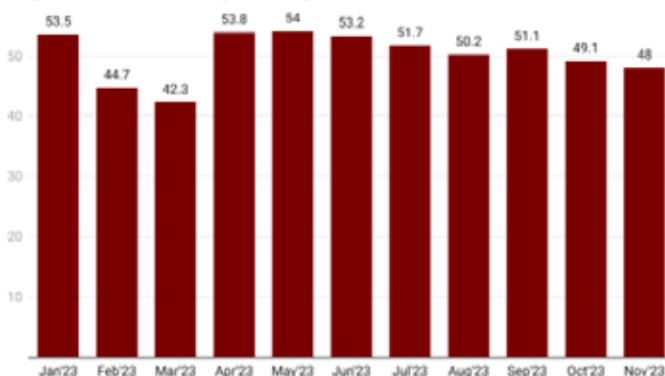


Chart: BusinessDay • Source: Stanbic IBTC Bank • Created with Datawrapper

NAIRA CLOSES YEAR WITH 96.55% LOSS TO US DOLLAR AT OFFICIAL MARKET



The foreign exchange market trading on Friday December 29, 2023, ended for the year 2023 with Naira recording a loss of 96.55% against the US dollar. Naira was quoted at N907.11 compared to N461.61 quoted at the end of 2022 at the Nigeria Autonomous Foreign Exchange Market (NAFEM). At the parallel market otherwise known as black market, Naira lost 62.16% against the dollar; the currency traded at 740 per dollar at the end of 2022 and N1,200 per dollar at the end of 2023. [Read more.](#)

CORPORATE

CAC ISSUES PUBLIC NOTICE ON PENALTIES FOR FAILURE TO FILE ANNUAL RETURNS.



On November 2, 2023, the Corporate Affairs Commission issued a public notice to remind the general public, Companies operating in Nigeria, their Directors and Officers that the Companies and Allied Matters Act 2020 (CAMA) requires companies to file returns each year. The Commission stated that starting from January 1, 2024, the Commission shall fully apply stiffer penalties provided by the Companies Regulations 2021. [Read more](#)

CAC SETS N100M PAID-UP CAPITAL FOR COMPANIES WITH FOREIGN PARTICIPATION.

The Corporate Affairs Commission in a flier on X (previously Twitter) dated December 5, 2023, and signed by the management, stated that companies having foreign interests/participation must comply with the requirement of having a minimum paid up capital of N100m. The figure represents a 900% increase from the previous figure, and was subsequently reversed by the CAC on December 8, 2023. [Read More](#)



CBN SACKS BOARD OF DIRECTORS OF THREE COMMERCIAL BANKS.

The Central Bank of Nigeria (CBN) has axed the board of three banks, Keystone Bank, Polaris Bank, and Union Bank in a meeting in Abuja. According to the CBN, the affected banks conducted several infractions ranging from “regulatory non-compliance to corporate governance failure.” A statement issued by the apex bank claimed that the dissolution of the boards became necessary due to the non-compliance of these banks and their respective boards with the provisions of Section 12(c),(f),(g),(h) of Banks and Other Financial Institutions Act, 2020.” [Read more](#)



TOTAL ENERGIES TO INVEST \$6BN NIGERIA'S OIL INDUSTRY



Total Energies intends to invest \$6 billion in Nigeria's offshore oil projects and also in boosting gas production. According to President Tinubu's Office, the multinational company demonstrated its commitment to Nigeria's business interests when CEO Patrick Pouyanne met with President Tinubu in Abuja. The company signed a deal with the Nigerian National Petroleum Corporation Ltd to use drone technology in detecting methane in Nigerian oil and gas facilities. [Read more.](#)

FCCPC SANCTIONS BRITISH AMERICAN TOBACCO NIGERIA FOR INFRACTIONS

British American Tobacco (BAT) Nigeria and its affiliated companies were fined \$110 million by the Federal Competition and Consumer Protection Commission (FCCPC) for several violations of the FCCPC Act, the National Tobacco Control Act, etc. the Commission in a statement issued on X clarified that the fine was reached through mutual engagement with the company pursuant to the FCCPC's Cooperation/Assistance Rules & Procedure (CARP) 2021. The FCCPC's CARP 2021 offers reduced penalties and waivers of certain regulations to companies that cooperate. [Read more](#)



POWER

FG SPENDS N375.8BN ON ELECTRICITY SUBSIDY FROM THE 1ST TO THE 3RD QUARTER OF 2023.



The Federal Government of Nigeria spent N375.8 billion on electricity subsidies in the first, second and third quarters of 2023. According to the Nigerian Electricity Regulatory Commission, (NERC), consumers paid N782.56 billion for electricity between January and September. The Federal Government subsidized power by N36 billion in the first quarter, N135.2 billion in the second quarter and N204.6 billion in the third quarter. NERC blames the increase in subsidy on the absence of cost-reflective tariffs. [Read more](#)

NIGERIA TRANSMITS 8.1GW OUT OF 13GW ELECTRICITY GENERATED

Out of the 15,000 MW of Electricity generated, Nigeria was only able to transmit 8100 GW. This was stated by Mr Thomas Inugonum, the General Manager of Transmission Company of Nigeria for the Port Harcourt Region. He decried the activities of vandals who make it even more difficult to achieve an uninterrupted power supply. [Read more](#)



FENCHURCH POWER ENTERS INTO A 150MW DEAL WITH NDPHC, BEDC AND FAIZA.



Fenchurch Power Nigeria has disclosed the signing of a 150MW off-take framework agreement with the Niger Delta Power Holding Company (NDPHC), Benin Electricity Distribution Company (BEDC) and Faiza Utilities Ltd. The deal is expected to boost power supply and distribution in Ondo, Edo and Delta states. According to the group, the Executive Vice Chairman of Faiza Utilities Limited, Mr Olufemi Bakare; the Managing Director/Chief Executive of NDPHC, Mr Chiedu Ugbo; and the CEO of BEDC, Mr Deolu Ijose, signed the agreement at the NDPHC head office in Abuja. [Read more](#)

OANDO PARTNERS WITH CROSS RIVER STATE TO BUILD EV PLANT.



Oando Plc has partnered with the government of Cross River State to build an electric vehicle assembly plant to produce electric-powered mass transit vehicles. The deal was sealed during a side event at COP28 hosted Oando Clean Energy (OCEL), Oando's subsidiary. The Memorandum of Understanding signed by the parties aims to roll out electric vehicles for mass transportation, set up a vehicle assembly plant and build a 100MW wind plant for power generation. [Read more](#)

NIGERIA SIGNS MOU FOR 1000 MW, SOLAR PLANT.



The Federal Government of Nigeria has signed a memorandum of understanding to develop a 1GW Solar PV Manufacturing plant. The MOU which aims to address the nation's power challenges was reached at the 28th Session of the Conference of Parties in Dubai, United Arab Emirates. The agreement demonstrates Nigeria's commitment to clean and sustainable energy supply. [Read more](#)

ENERGY

FG ISSUES WHOLESALE GAS SUPPLY LICENSE TO OHURU TRADING LIMITED.

On October 5, 2023, the Chief Executive of the Nigerian Midstream and Downstream Petroleum Regulatory Authority, Farouk Ahmed, issued a gas supply license to Ohuru Trading Limited on behalf of the Federal Government. According to Mr. Farouk Ahmed, the company was presented with a third-party gas supply licence to directly purchase natural gas from any lease or third party. This will enable the company to sell and deliver wholesale gas to wholesale gas customers and distributors all over the country. [Read more](#)



\$11BN JUDGEMENT: NIGERIA WINS AS LONDON COURT DISCOURTENANCES P&ID'S APPEAL.

On October 23, 2023, Judge Robin Knowles in giving his ruling rejected P&ID's argument and affirmed the decision that the damages award should be thrown out immediately. He held that the award given against Nigeria was obtained fraudulently, he found that the P&ID paid bribe to Nigerian officials who drafted the gas supply and processing agreement. [Read more](#)



DANGOTE REFINERY ACQUIRES 1M BARRELS OF CRUDE FROM SHELL.



Dangote Petroleum Refinery and Petrochemicals plant has procured 1 million barrels of crude grade from Shell International Trading and Shipping Company Limited (STASCO). This move is paramount towards attaining energy security and boosting Nigeria's domestic refining capacity. [Read more](#)

OPEC+ REDUCES NIGERIA, ANGOLA OIL OUTPUT LEVELS FOR 2024.



The Organization of the Petroleum Exporting Countries Plus (OPEC+) handed Nigeria an oil output target lower than the country had expected for the year 2024. This follows a meeting held in June where OPEC+ subscribed to a deal that entailed the revision of the oil output target of several members. Nigeria was given a total output target of 1.5 million barrels per day (bpd), Angola, a target of 1.11 million bpd and Congo a target of 277,000 bpd for 2024. [Read more.](#)

ECN PARTNERS WITH GWEC TO DEVELOP WIND ENERGY IN NIGERIA

The Energy Commission of Nigeria (ECN) has partnered with the Global Wind Energy Council (GWEC) and the Niger State Government for wind energy in Nigeria. The deal was facilitated by Bridge Synergy, an international consultancy firm. The partnership agreement was signed by the Governor of Niger State, Umar Bago, the ECN Director-General, Dr Mustapha Abdullahi and a representative of GWEC's Chief Executive Officer, Ben Backwell, on the sidelines of COP28 in Dubai. [Read more](#)

WORLD BANK ALLOCATES \$750 MILLION TO CLEAN ENERGY IN NIGERIA

The World Bank has made arrangements to support clean energy projects in Nigeria with \$750 million. This action by the bank is aimed at addressing the electricity crisis in the nation. The Distributed Access through Renewable Energy Scale-up (DARES) initiative plans to provide electricity to more than 17.5 million people in Nigeria. Leveraging on the success of the Nigeria Electrification Project, which provided 125 mini-grids and distributed a million solar home systems, this new effort intends to reach 5.5 million more people. [Read more](#)



INFRASTRUCTURE

FEC APPROVES THE CONCESSION OF CENTRAL WORKSHOP IJORA.

On October 19, 2023, the Federal Executive Council approved the concession of Ijora Central Workshop to a Firm for rehabilitation and optimal operation under the regulatory guidance and oversight of the Infrastructure Concession Regulatory Commission. The Concession which will adopt a Rehabilitate-Operate-Maintain-Transfer PPP model is the first Public Private Partnership (PPP) project to be approved under the administration of H.E Bola Ahmed Tinubu. [Read more](#)



AUSTRIA MULLS PARTNERSHIP WITH NIGERIA ON TRANSPORTATION INFRASTRUCTURE.

The Austrian Government has sought partnership with the Federal Government of Nigeria in the provision of transportation infrastructure and other Public Private Partnership project areas. According to the Head, Media and Publicity, Infrastructure Concession Regulatory Commission (ICRC), Manji Yarling, the partnership was sought when the Austrian Ambassador to Nigeria, Thomas Schlesinger, paid a courtesy to the Director General of the ICRC, Michael Ohiani. [Read more](#)



INFRASTRUCTURE: NIGERIA, OTHERS TO GET 150 BILLION EUROS FOR INFRASTRUCTURE BY 2027.



The European Union plans to disburse 150 billion Euros by 2027 through its Global Gateway Initiative to Nigeria and other African countries to improve infrastructure across eight sectors. Jutta Urpilainen, the EU Commissioner for International Partnerships, disclosed this during the launch of the Global Gateway Initiative in Abuja. [Read more](#)

NIGERIA'S INFRASTRUCTURE DEFICIT REQUIRES \$2.3TRN INVESTMENT TO CLOSE.

Former Minister of Works, Mr Babatunde Fashola (SAN) has decried Nigeria's continued reliance on weak and ageing infrastructure from the 1970s and 80s. He emphasized the need for investment in the country's critical infrastructure. Mr. Fashola made this known while speaking at the Julius Berger Nigeria Plc "Luminary Soiree" dinner in Lagos. [Read more](#).



INFRASTRUCTURE FINANCE: NIGERIA IN TALKS WITH ISLAMIC BANK



The spokesperson of President Bola Ahmed Tinubu, Ajuri Ngelale has disclosed that the President met top officials of the Islamic Development Bank (IsDB) to negotiate a finance facility that will help build ports and power plants. Mr. Ngelale noted that the President held talks with IsDB vice president Mansur Muhtar Monday in Mecca, Saudi Arabia. However, details of the finance package sought by the Nigerian government remain unknown. [Read more](#)

TAXATION

FHC VOIDS PROVISION REQUIRING THE PAYMENT OF JUDGEMENT SUM IN TAX APPEALS.

On November 9, 2023, the Federal High Court of Nigeria (FHC) declared as unconstitutional certain provisions which require an alleged tax debtor to deposit the judgment sum or 50% of the disputed amount as a prerequisite for pursuing an appeal in the FHC or the Tax Appeal Tribunal (TAT). The provisions nullified cut across various

legislations such as Tax Appeal Tribunal (Procedure) Rules (2021) ("TAT Rules 2021"), the Federal High Court of Nigeria (Federal Inland Revenue Service) Practice Directions (2021) ("Practice Direction") and the Federal High Court of Nigeria (Tax Appeals) Rules (2022) ("Tax Appeal Rules 2022"). [Read more](#)

FG TO EXEMPT SMALL BUSINESSES FROM WITHHOLDING TAX.

The presidential fiscal policy and tax reforms committee has revealed plans to review the country's withholding tax laws to exempt small businesses from liability. The Chairman of the Committee, Mr. Taiwo Oyedele disclosed this during a stakeholder engagement session with trade associations, non-governmental organisations, etc. [Read more](#).

FIRS GRANTS RELIEF TO TAXPAYERS BY WAVING PENALTIES AND INTERESTS

The Federal Inland Revenue Service has granted full relief on accumulated interests and penalties for accrued tax liabilities. Dare Adekanmbi, the Special Adviser to the Chairman of FIRS, Zaach Adedeji disclosed this in a statement. The chairman noted that the Agency imposes penalties on companies for failure to fulfil their tax obligations. He went further to state that the relief is in recognition of the challenges that taxpayers face in fulfilling their obligations. [Read more](#)



STARTUPS

NINE NIGERIAN STARTUPS SHUTDOWN AFTER RAISING OVER \$70 MILLION.



After raising over \$70 million, nine Nigerian startups shut down in 2023. This has raised concerns about the fate of other fledgling startups seeking funding. Whereas the startups caved under different circumstances, Venture capitalists attributed the startups exit to lack of proper due diligence. Against this backdrop, it might become a little harder for startups to secure funding in the nearest future as the startups will be required to tick many boxes. [Read more](#)

FG LAUNCHES A SUPPORT AND ENGAGEMENT PORTAL FOR STARTUPS.

On November 21, 2023, the Federal Government of Nigeria launched the Startup Support and Engagement Portal aimed at streamlining startup identification and aggregation in Nigeria. The Portal was created as an implementation mechanism for the Nigeria Startup Act signed into Law by former President Muhammadu Buhari on October 19, 2022. [Read more](#)



LEGISLATION WATCH



NDPA 2023: NDPC ISSUES GUIDANCE ON THE FILING OF COMPLIANCE AUDIT RETURNS IN NIGERIA.



The Nigeria Data Protection Commission issued a Guidance Notice (the Notice) for the filing of Compliance Audit Returns (CARs) for the next cycle. The Notice contains instructions and information for data controllers and processors on compliance with the Nigeria Data Protection Act 2023 and the Nigeria Data protection Regulations 2019. [Read more](#)

THE NHIA ISSUES OPERATIONAL GUIDELINES FOR THE NHIA ACT.



As part of the efforts to ensure that Nigerians have access to affordable health care, on October 1, 2023, the National Health Insurance Authority launched operational guidelines for the National Health Insurance Authority Act, 2022. According to the Director General of NHIA, Muhammad Sambo, the operational guidelines is crucial to clarifying the roles, duties and obligations of the stakeholders in the health sector. [Read more](#)