



TALP CORPORATE COMMERCIAL SECTOR OUTLOOK

# Nigerian Corporate Transaction, Regulation & Governance

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2025 Review and 2026 Outlook

# Executive Summary

Nigeria entered 2026 with stronger underlying momentum in its non-oil economy, but within a more structured and increasingly regulated business environment.

Data published by the National Bureau of Statistics shows real GDP growth of 4.07% in Q4 2025, with the non-oil sector contributing over 97% of total output. Agriculture remained the largest contributor at 25.67% of nominal GDP, while real estate, construction, and manufacturing recorded steady growth.

For boards, investors, and in-house counsel, these figures are relevant not because they signal broad economic recovery, but because they confirm where transactional activity and regulatory attention are now concentrated. Three developments in 2025 are particularly significant from a corporate-commercial perspective.



## Investments and Securities Act 2025

Introduces a more comprehensive and rules-based framework for capital formation, including express regulatory coverage for digital and virtual asset platforms.



## Nigeria Tax Act 2025

Reshapes the incentive landscape, replacing the Pioneer Status Incentive with the Economic Development Tax Incentive. This is likely to materially affect how manufacturing, infrastructure, and agro-processing projects are structured and financed.






## Active Enforcement by Sector Regulators

Sector regulators have shifted from policy signaling to active enforcement, particularly in financial services, telecommunications, and aviation.

Taken together, these developments point to a clear conclusion. Regulation is no longer a background consideration in Nigeria, it is now central to how transactions are structured, executed, and sustained.

# Cross-Sector Themes: Regulation is Becoming Structural

-  Across all sectors, the regulatory environment is becoming more predictable but also more demanding.
-  Licensing, reporting, consumer protection, and operational compliance are no longer treated as post-incorporation matters. They are increasingly front-loaded into transaction structuring and investment decisions.
-  For boards and investors, this means that regulatory positioning is now part of deal value, not merely a compliance requirement.



## Infrastructure & Capital Convergence

Digital infrastructure, housing development, aviation facilities, and agro-processing platforms are emerging as the primary intersection between government policy, private capital, and commercial execution. These projects require legal structures that address ownership, financing, operational risk, regulatory approvals, and exit pathways.



## Capital Formation: More Disciplined

The Investments and Securities Act 2025 reflects a shift towards stronger disclosure standards, clearer regulatory jurisdiction, and tighter supervision of market participants. This is likely to favour well-governed businesses and experienced investors, while increasing barriers to entry for under capitalised or poorly structured ventures.



## Incentives Are Being Recalibrated

The transition from Pioneer Status Incentive to the Economic Development Tax Incentive signals a move toward more targeted and policy-driven investment incentives. This will require investors to reassess project viability, tax assumptions, and long-term returns.

# Telecommunications & Digital Infrastructure: 2025 in Review

## Sector at a Glance



51.97%

Broadband Penetration  
Reached by December 2025



112M

Broadband Subscriptions  
Recorded across Nigeria



Nigeria's telecommunications sector continues to operate at scale. Growth has been driven by:

- ✔ Continued expansion of fibre networks
- ✔ Increased mobile broadband usage
- ✔ Entry of satellite-based service providers



The grant of satellite licences to international operators, including Amazon's Project Kuiper, reflects a deliberate policy shift towards expanding connectivity beyond traditional infrastructure constraints.

## LEGAL AND REGULATORY POSITION

The sector remains regulated by the Nigerian Communications Commission, supported by data and digital regulators. From a legal perspective, the key issues are no longer limited to licensing. They now include:



Infrastructure sharing and collocation arrangements



Spectrum allocation and renewal



Data governance and cross-border data flows



Contractual frameworks for fibre and tower deployment

**The Nigeria Data Protection Act adds an additional layer of compliance, particularly for operators managing large volumes of user data.**

# Telecommunications & Digital Infrastructure: Practice Implications & 2026 Outlook



## What This Means in Practice

For investors and operators, the key challenge is not market demand. It is execution within a permit-driven, compliance-intensive environment.

## Projects often hinge on:

- ✓ Right-of-way approvals
- ✓ Local regulatory engagement
- ✓ Enforceability of infrastructure agreements

## 2026 Outlook

The sector is expected to move from expansion to consolidation and optimisation.



### Infrastructure Transactions

Legal work will increasingly focus on infrastructure transactions rather than pure licensing.



### Joint Ventures & Co-Investment

Joint ventures and co-investment structures will become more prominent as operators seek to share capital and risk.



### Data & IP Risk Allocation

Data and IP risk allocation will be a growing area of legal focus as the Nigeria Data Protection Act embeds further into commercial practice.

# Financial Services & Fintech: 2025 in Review

Financial services remained one of the most active regulatory sectors in 2025.



## Legal and Regulatory Position

Fintech regulation in Nigeria is now clearly multi-layered. The Central Bank of Nigeria continues to regulate payment systems, while the Securities and Exchange Commission has expanded its oversight to include digital assets.

This creates a regulatory environment where:

- ✓ Jurisdiction depends on product structure
- ✓ Compliance obligations may overlap
- ✓ Licensing pathways require careful navigation

# Financial Services & Fintech: 2025 in Review



## Key Legal Issues

For fintech companies, the core legal issues are increasingly structural:



# Financial Services & Fintech: Practice Implications & 2026 Outlook

## What This Means in Practice

The sector is moving from rapid growth to regulated maturity. This means:

- ✓ Stronger scrutiny from regulators
- ✓ Higher compliance costs
- ✓ Increased importance of governance

## 2026 Outlook

The next phase of fintech development is likely to involve:



### Consolidation Among Operators

Smaller, under capitalised players are likely to merge or exit as compliance costs rise and regulatory expectations increase.



### Closer CBN & SEC Alignment

Closer alignment between CBN and SEC oversight as digital asset regulation matures and jurisdictional boundaries are clarified.



### Infrastructure Resilience

Greater focus on infrastructure resilience as the sector scales and systemic risk becomes a regulatory priority.



# Manufacturing Industries: 2025 in Review & Legal Position

The Manufacturing sector accounted for 8.05% of real GDP in Q4 2025. However, policy developments were more significant than output data. The Nigeria Tax Act 2025 and the shift to the Economic Development Tax Incentive represent a structural change in how industrial investments are incentivised.

## Legal and Regulatory Position

Manufacturing projects in Nigeria are regulated across multiple layers, including:

- ✓ Product standards
- ✓ Environmental compliance
- ✓ Import and export regulation

These requirements create a regulatory environment where project viability depends as much on compliance as on commercial factors.

## Key Legal Issues

Industrial projects typically involve:



Land acquisition and title structuring



Joint venture arrangements



Supply and offtake contracts



Tax and incentive optimisation

## What This Means in Practice

Manufacturing investments are becoming more structure-driven. Legal input is required not only for documentation, but for:

- ✓ Determining optimal investment vehicles
- ✓ Aligning incentives with policy
- ✓ Managing operational risk

**2026 Outlook:** The key question for investors is no longer whether to invest in manufacturing, but how to structure investment efficiently under the new tax and regulatory regime.

# Real Estate & Urban Development

## 2025 in Review

Real estate and construction continued to grow, supported by urbanisation and government housing initiatives. The Federal Government's PPP-led housing programmes signal a shift towards structured, large-scale development models.

## Legal and Regulatory Position

The Land Use Act remains central to land ownership, requiring:

- State-level approvals
- Formal rights of occupancy

However, real estate transactions increasingly involve more complex structures, including: Special-purpose vehicles, Pooled investment arrangements, PPP frameworks

## Key Legal Issues

Key risks in real estate transactions include:

Title Defects

Regulatory Approvals

Construction Risk Allocation

Investor Protection

## 2026 Outlook

The sector is expected to shift toward institutional-scale development, structured financing, and stronger governance frameworks.



# Agriculture & Agro-Processing

Agriculture remained Nigeria's largest economic sector, contributing over 25% of GDP. Policy attention is increasingly focused on value addition and agro-processing.

## 2025 in Review

Agriculture is no longer purely a land-based sector. It now involves:

- ✓ Processing infrastructure
- ✓ Export regulation
- ✓ Investment policy frameworks

## 2026 Outlook

Agro-processing platforms are likely to attract increased investment. The legal focus will be on:

## Key Legal Issues

Key legal considerations include:

- ✓ Land tenure and community arrangements
- ✓ Supply chain contracts
- ✓ Export compliance
- ✓ ESG and sustainability obligations



### Structuring Investable Platforms

Creating legally robust investment vehicles that can attract institutional capital into agro-processing.



### Managing Regulatory Risk

Navigating the multi-layered regulatory environment covering land, processing, export, and environmental compliance.



### Aligning with Government Policy

Structuring projects to qualify for available incentives and align with the Economic Development Tax Incentive framework.

# Aviation Sector Capacity Development

## 2025 in Review

The aviation sector saw regulatory improvements, particularly in relation to:

- ✓ Aircraft leasing frameworks
- ✓ Cape Town Convention compliance
- ✓ Consumer protection enforcement

Nigeria's compliance score improved significantly, strengthening its position in aviation finance.

### Legal and Regulatory Position

The sector is governed by:

- Nigerian Civil Aviation Authority
- Federal Airports Authority of Nigeria

Regulation is becoming more enforcement driven, particularly in relation to passenger rights and operational standards.

### Key Legal Issues

Aviation transactions involve:



**Leasing and financing structures**



**Concession agreements**



**Regulatory approvals**



**Compliance with international standards**

**2026 Outlook:** The sector is expected to focus on capacity development, including airport infrastructure, MRO facilities, and private sector participation.

# Key Legislative & Regulatory Developments: 2025

DEVELOPMENT	KEY CHANGES	COMMERCIAL IMPLICATION
<b>Investments and Securities Act 2025</b>	Comprehensive rules-based framework for capital formation; express coverage for digital and virtual asset platforms	Favours well-governed businesses; increases barriers for under capitalised ventures; stronger disclosure standards
<b>Nigeria Tax Act 2025</b>	Replaces Pioneer Status Incentive with Economic Development Tax Incentive	Requires reassessment of project viability, tax assumptions, and long-term returns across manufacturing, infrastructure, and agro-processing
<b>Nigeria Data Protection Act</b>	Additional compliance layer for operators managing large volumes of user data	Particularly relevant for telecoms and fintech; affects data governance and cross-border data flows
<b>Cape Town Convention Compliance</b>	Improved compliance score in aviation finance	Strengthens Nigeria's position in aircraft leasing and financing structures
<b>Non-Resident BVN Platform</b>	Rollout of identity verification for non-resident Nigerians	Expands financial services access; creates new compliance obligations for financial institutions
<b>ISO 20022 Payment Standards</b>	Migration of payment systems to new messaging standards	Requires system upgrade; affects outsourcing and platform agreement in fintech

# Final Observations

Across all sectors, a consistent pattern is emerging. Nigeria remains a market with strong commercial opportunities. However those opportunities are increasingly shaped by:



## Regulatory Frameworks

Sector regulators have shifted from policy signalling to active enforcement. Regulatory positioning is now part of deal value.



## Governance Expectations

Well-governed businesses and experienced investors are increasingly favoured as capital formation becomes more disciplined.



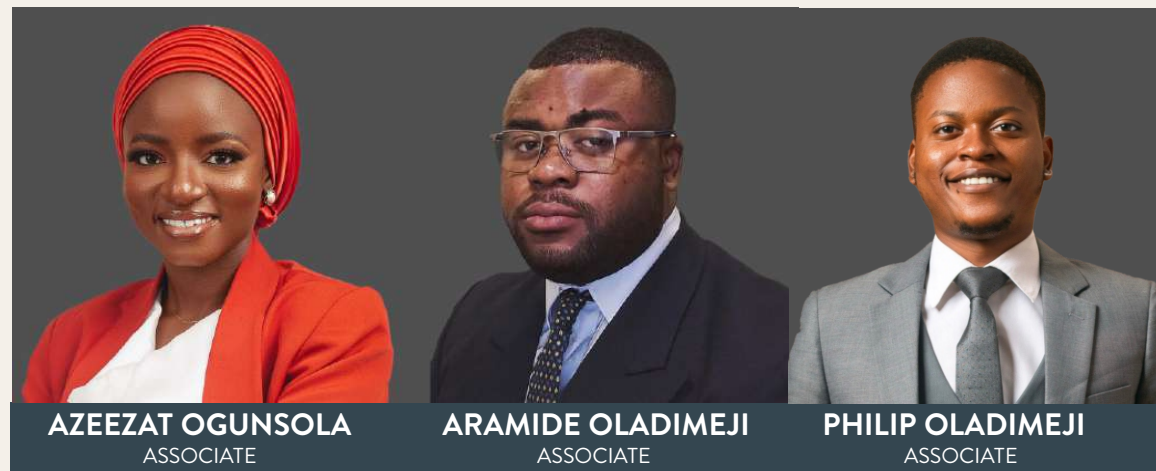
## Transaction Structuring Requirements

Legal structures must address not only ownership and financing, but also operational risk, regulatory approvals, and exit pathways.

For decision-makers, the practical implication is clear. Successful participation in Nigeria's key sectors will depend not on only capital deployment but on how effectively legal, regulatory, and governance issues are managed from the outset.



# MEET OUR TEAM



3rd Floor, The Phoenix,  
31 Mobolaji Bank Anthony Way,  
Ikeja Lagos,  
Nigeria.

+234 708 869 9174; +234 813 532 1156

[cosec@topeadebayolp.com](mailto:cosec@topeadebayolp.com)

[www.topeadebayolp.com](http://www.topeadebayolp.com)

