



TOPE ADEBAYO LP



IMPLEMENTING EXECUTIVE ORDER 9 OF 2026

AS A LEGAL FRAMEWORK FOR PETROLEUM
REVENUE AND INTEGRATED OPERATIONS
GOVERNANCE IN NIGERIA



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Introduction

The Presidential Executive Order to Safeguard Federation Oil and Gas Revenues and Provide Regulatory Clarity, 2026 (“Executive Order 9”, or “EO9”, or the “Order”) represents a structural intervention in Nigeria's petroleum revenue architecture. It mandates the suspension of certain statutory deductions and further mandates the direct remittance of oil and gas revenues—including royalties, taxes, profit oil/gas, PSC proceeds, and gas flare penalties into the Federation Account and reinforces federal control over revenue custody and fiscal administration. This marks a significant shift from the fiscal and regulatory framework established under the Petroleum Industry Act, 2021 (PIA), with the Order materially altering existing revenue flows and restructuring how petroleum revenues are managed and administered. The Order also addresses integrated petroleum operations by introducing a joint regulatory framework to manage overlaps between upstream and midstream regulatory agencies.

This newsletter assesses the legal framework which reflects the scope of EO9 and further assesses the implementation mechanics of the Order. The EO9 framework comprises:

1. Constitutional authority and revenue custody
2. Institutional governance and regulatory architecture
3. Operational compliance and the transition framework

Constitutional Authority and Revenue Custody

At its foundation, EO9 is anchored in Nigeria's constitutional structure. Sections 5 and 44(3) of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), vest executive authority in the President for the implementation of laws and confer ownership and control of all minerals, oil, and gas on the Federation, respectively. Additionally, section 162 of the Constitution further mandates that all federally collected revenues be paid into the Federation Account.

EO9 seeks to give administrative effect to, and reinforce compliance with these existing constitutional provisions, by clarifying revenue custody and remittance obligations. The Order¹ directs that all royalty oil, tax oil, profit oil, profit gas, proceeds from Production Sharing Contracts and other applicable contracts, as well as gas flare penalties due to the Federation, be remitted directly into the Federation Account.² It also affects the collection and management of the 30% profit oil and gas allocated to the Frontier Exploration Fund, by requiring such revenues to be subject to central remittance to the Federation Account. In doing so, the Order recentralises petroleum revenue custody in line with the constitutional intent and limits discretionary retention or deduction structures under existing fiscal arrangements in the PIA.³

¹ S. 1 (1) EO9

² S. 1(2) EO9

³ Sections. 64, 240, 104, and 260 PIA 2021

In legal character, EO9 functions as an executive implementation instrument rather than a legislative amendment. It does not repeal the PIA or other statutes but seeks to give effect to the constitutional framework on public revenue by directing how executive institutions carry out revenue collection and remittance. Its authority flows from constitutional executive powers. Where conflicts arise between EO9 and statutory provisions, judicial interpretation remains the appropriate legal mechanism for resolution. This positioning preserves constitutional order while allowing executive policy direction to function within lawful boundaries.

The constitutional issues arising from EO9 have been addressed more elaborately in our previous publications, on our website and other media platforms.



Institutional Governance and Regulatory Architecture

Beyond revenue custody, EO9 makes provisions covering the governance framework by mandating inter-agency coordination between the Nigerian Upstream Petroleum Regulatory Commission (NUPRC or the “Commission”) and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA or the “Authority”) in matters that concern integrated operations.⁴ This collaboration between the two agencies is meant to be spearheaded by a Joint Project Team (JPT) constituted by the Commission and the Authority working together.⁵ EO9 gives the mandate for the Joint Project Team to develop guidelines for the operation of integrated facilities and other actions which now have implications on licensing and permits, data sharing for harmonization, compliance, and fixing of fees.⁶

Clearing Points of Ambiguities

Under the PIA, regulatory responsibility for upstream and midstream petroleum operations are institutionally separated. However, for “integrated operations,” the Act contemplates coordination, but preserves clear jurisdictional boundaries by stating that the Commission shall be in charge of such integrated operations.⁷ To bring this into effect, the Commission issued the 2023 Guidelines on Classification of Integrated Upstream and Midstream Petroleum Operations (the “Guidelines”), which define integrated operations as configurations of interlinked upstream and midstream facilities sharing infrastructure, utilities, or operational processes.⁸ The Guidelines set out broad qualification criteria, including an FPSO-based facility, shared pipelines or utilities, centralised processing, and unified measurement structures, but also provided that the permitted threshold will be satisfaction of “one or more” of the criteria.⁹

⁴ S. 7 (a), (b) and (c) EO9

⁵ S. 4 (2) EO9

⁶ S. 4 (3) EO9

⁷ S. 8(d) PIA

⁸ Sections 1.1 and 1.2.2, 2023 Guidelines on Integrated Operations

⁹ Section 2.1, 2023 Guidelines on Integrated Operations

While this framework provides technical clarity, it introduces legal ambiguity in three key respects. First, the “one or more” threshold is over-expansive, allowing facilities with limited functional integration (e.g., shared utilities alone) to qualify as integrated, thereby blurring the distinction between genuinely integrated and merely connected petroleum operations.¹⁰ Second, although the Guidelines centralise oversight in the Commission, including licensing, approvals, and administration of integrated operations,¹¹ they do so even operationally where certain components (e.g., gas processing or evacuation infrastructure) fall within the statutory remit of the Authority, without clearly delineating the limits of such overlap. Third, the dual measurement framework (allocation at flow stations versus fiscal measurement at terminals)¹² lacks a hierarchy or conflict-resolution mechanism and creates potential regulatory and commercial uncertainty.

EO9, therefore, presents the need for clearer implementation frameworks, particularly considering the ambiguities arising from the 2023 Guidelines. In this regard, the development of further Guidelines, through the JPT provides an opportunity to clarify these ambiguities and establish a more integrated, collaborative regulatory model in the relevant instances. Also, the collaboration between the two agencies promises better accountability between the regulatory structures in the industry.

Government Oversight and Institutional Coordination

The Special Adviser to the President on Energy is designated to oversee the collaborative process, through the JPT.¹³ While this may not be wrong, it also raises questions around institutional independence and the extent of executive influence over regulatory functions. Preserving investor confidence will therefore depend on clearly defined oversight boundaries that support coordination without regulatory overreach.

EO9 further establishes an Implementation Committee with a multi-institutional governance process involving fiscal authorities, regulatory bodies, and structure for executive coordination.¹⁴ With the potential for duplicity of oversight functions, deliberate steps must be taken to ensure coherence within the PIA's institutional framework, avoid superfluity, and to protect investor confidence as further operational protocols or guidelines are formulated by the Implementation Committee. It would be counterproductive, following the notable successes of the PIA, for Nigeria's petroleum sector to be perceived as operating within a fluid or unpredictable regulatory environment, subject to frequent policy shifts.

Operational Compliance and Transition Framework

The third and most critical aspect covered by EO9 lies in its operational compliance and transition design. The Order is not self-executing; its effectiveness depends on the creation of robust compliance systems, including remittance verification mechanisms, reconciliation protocols,

¹⁰ Section 2.1 (viii)–(ix), 2023 Guidelines on Integrated Operations

¹¹ Section 3 2023 Guidelines on Integrated Operations

¹² Section 2.1 (iv) 2023 Guidelines on Integrated Operations

¹³ S. 4 (4) EO9

¹⁴ S. 5 EO9

audit trails, reporting systems, institutional interfaces, treasury system integration, and clearly defined regulatory compliance pathways.

This determines whether EO9 becomes a stabilising reform or a chaos-generating disruption. From a legal standpoint, EO9 creates a transition regime. Transition regimes are inherently complex because they interact with existing contracts, established fiscal structures, vested rights, regulatory approvals, and legacy compliance systems. This creates predictable risk zones in the form of contractual conflicts, compliance overlaps, and potential disputes touching on fiscal structures and remittance systems.

These risks are not abnormal in policy transitions. Mature systems resolve them through institutional coordination which has already been prescribed by EO9, regulatory clarification, judicial interpretation, and the aligning of statutes with executive intent. EO9 therefore is not an endpoint, but the beginning of a transition process that will likely culminate in formal legislative amendments to align the PIA and related fiscal structures with the new policy direction.

Structural Implications for the Sector

If properly implemented, EO9 performs three simultaneous functions:

1. Fiscal function – Centralising revenue custody and strengthening remittance integrity.
2. Governance function – Restructuring inter-agency/institutional coordination and the regulatory framework.
3. Compliance function – Creating a new operational system for remittance, reporting, and fiscal administration.



Implementation Focus

The true test of EO9 lies not in its text, but in its execution. The implementation drivers that will define the success of the Order are the effectiveness of institutional coordination, regulatory clarity, operational compliance systems, contract transition management, remittance verification structures, audit and monitoring frameworks, and effective dispute resolution mechanisms.

Some steps taken by the Implementation Committee, as reported by the Ministry of Finance on its official website, further confirm that implementation has commenced, and the collection of 30% management fee by NNPC Limited, the 30% FEF deductions, and all remittances of gas flare penalties into the MDGIF are suspended with immediate effect¹⁵ and that the said payments are now to be made directly to the Federation Account in line with Executive Order 9.¹⁶ The Ministry of Finance further reports that the Implementation Committee further approved a transition period for the direct remittance of profit oil, royalty oil, and tax oil by contractors into the Federation Account. Pending the issuance of detailed guidelines by the Implementation Committee, contractors shall continue to remit under the current process. A Technical Subcommittee has been established to develop the requisite transition guidelines.¹⁷

Conclusion

The rational response to these changes is not panic; stakeholders should rather position for compliance. For operators, it is wise to commence legal audits of contracts and remittance structures, engage the regulators, and draw out compliance and risk management frameworks. For investors, watch out for implementation clarity by Government, track the regulators, and monitor institutional behaviour. For the Federal Government and its regulatory agencies, steps must be taken to show transparency, provide clear operational guidance, provide predictable enforcement systems, and engage stakeholders, both local and foreign; creating predictable regulatory systems that improve investor confidence.

EO9 should be understood as a structural transition instrument within Nigeria's petroleum governance system. It represents a move toward centralised revenue custody, integrated institutional governance, and a system-based compliance architecture. Its long-term value will be determined by whether it successfully delivers legal clarity, institutional stability, fiscal transparency and predictability with operations.

¹⁵ "Nigeria Moves to Safeguard Petroleum Revenues as Implementation of Executive Order 9 Begins" available at <https://finance.gov.ng/nigeria-moves-to-safeguard-petroleum-revenues-as-implementation-of-executive-order-9-begins/> and accessed on 12 May 2026

¹⁶ Ibid.

¹⁷ Ibid

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