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**ELECTRONIC
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**WILL YOUR
TECHNOLOGY
SURVIVE THE
OUTBREAK?**

**CAMA &
LAWYERS'
ROLE IN
SHAPING THE
FUTURE OF
NIGERIA**

**WOLE
OLANIPEKUN SAN:
A LESSON IN
EXCELLENCE**

MAKING THE BAR WORK FOR BUSINESSES

**SENI ADIO SAN CHAIRMAN
NBA SECTION ON BUSINESS
LAW 2018-2020**



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CAMA & THE ROLE OF LAWYERS IN SHAPING THE FUTURE OF NIGERIA

With the Presidential Assent of the Companies and Allied Matter Act (“CAMA 2020”), Nigeria takes a further step in creating an enabling environment for investments. The success story is not without the invaluable contributions of the NBA-SBL. In this edition, our Lere Fashola spoke with Ozofo Latunde Ogiemudia, Chairperson, Conference Planning Committee of the NBA-SBL 14th Annual Business Law E-Conference, and Chairperson of the Technical Advisory Committee (TAC) on the Reform of the Company and Allied Matters Act 1990, on how this landmark achievement has further deepened the role of lawyers in shaping the future of Nigeria.

The NBA SBL Conference has come and gone but it has set a new pace in the Nigerian legal space especially with the success of the virtual experience. How were you able to pull this off?

First, I would like to commend the Council of the NBA-SBL, whose decision it was to hold the conference notwithstanding the pandemic and resulting lockdowns. Since lockdown restrictions were imposed in late March 2020, the NBA-SBL

has ensured that members have continued to have access to various thought-leadership and training programmes, as is characteristic of the NBA-SBL’s, through webinars organised by some of the SL’s sub-committees. It was in keeping with this spirit of forging ahead notwithstanding the pandemic that the Council decided that the 14th Annual Business Law Conference would go ahead, but as an e-Conference.

Preparations for the 14th Annual Business Law Conference began in December 2019, and a lot had been done by March 2020 when we were forced to suspend our plans while we waited to see how long the pandemic would last. When the Conference Planning Committee (CPC) was asked to organise the 14th Annual Business Law Conference as the NBA-SBL’s first e-Conference, we had just two months to revisit our earlier

plans and make the necessary adjustments. We decided to change our conference theme to make it more relevant to the present reality of our ‘new world’, strengthened our IT sub-committee and prioritised the use of an online platform that would provide a different virtual experience. We also focused on framing our session topics and identifying speakers that would be able to address the issues on the minds of our audience in these unprecedented times. We





The unique challenges that we faced in organising an e-conference provided an opportunity for all members of the CPC to improve their IT knowledge and forced us to adopt a do-it-yourself approach to various aspects of the conference preparations. As a result, we felt a huge sense of personal achievement about the success of the conference, and the cost-savings that resulted from doing things ourselves...

Given the economic effects of the COVID-19 pandemic, we had to be sensitive to what our members and sponsors were going through and with this in mind, we overhauled our fundraising strategy and focused primarily on offering value for the time and resources with which our delegates and sponsors supported this conference. Based on the feedback received to date, we are happy to say that we were able to achieve this.



recognised that the nature of the conference was such that we would be able to attract a larger audience than previous NBA SBL conferences, since everyone could participate from the comfort of their respective homes, and so our media and publicity campaign was targeted towards not just lawyers but also entrepreneurs, start-ups, law students, regulators and the business community at large. We are very happy with how it all came together in such a short time.

What for you are the major take-aways from the conference?

The pandemic accelerated a shift for us from a brick-and-mortar conference to an e-conference, and I believe that this is the beginning of a new era for the NBA SBL. I hope and expect that we will continue to build on the success achieved this year so that future conferences of the NBA SBL will feature an electronic conference element, perhaps alongside a (smaller) physical conference.

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This conference taught us to be more efficient in the use of our resources. Given the

economic effects of the COVID-19 pandemic, we had to be sensitive to what our members and sponsors are going through and with this in mind, we overhauled our fundraising strategy and focused primarily on offering value for the time and resources with which our delegates and sponsors supported this conference. Based on the feedback received to date, we are happy to say that we were able to achieve this.

One major highlight from the

conference was your interview with the Registrar-General of the Corporate Affairs Commission (CAC) and I see the feedback from lawyers regarding his innovative inventions at the CAC aimed at making the commission more transparent and easier to assess for businesses. This, however, has been viewed by some lawyers as another attempt at taking away jobs from Nigerian lawyers who are currently feeling the heat of the COVID-19 Pandemic. What are your thoughts regarding this?

I was very encouraged to hear of the innovations at the CAC under the current Registrar-General, Alhaji A.G. Abubakar. As lawyers, and primary users of the CAC's services, we have complained over the years about various inefficiencies in the CAC's processes, occasioned by a reliance on manual systems. We are in a digital age, and in order to be a competitive economy, we have to respond to the needs of the current age. This means increasingly digitising the CAC's processes in order to improve efficiency. The downside of this is that clients might not always require the services of a lawyer for everything they need from the CAC, but if this achieves a faster and more efficient process and ultimately leads to increased client satisfaction in the business community, such change is inevitable and has to be embraced.

I do not believe that the objective of the innovations at the CAC is to deprive lawyers of their income. Clients will continue to require the advice



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and guidance of their legal advisers in relation to various corporate and company law issues, some of which will involve filings at the CAC which lawyers will continue to carry out on behalf of their clients. Furthermore, the challenge for us as lawyers is to stay relevant in these rapidly evolving times. This means being open to learning new areas of the law as they emerge. Some examples of these new areas of law are data protection, ICT, media and entertainment law. You would also have heard of the new Companies and Allied Matters Act 2020 that was assented to by President Muhammadu Buhari a few days ago. The CAMA 2020 introduces a lot of changes to Nigerian company law, and clients will be looking to us to guide them through this new landscape. Innovations such as company rescue procedures – administration and company voluntary arrangements, and new forms of corporate entities – limited partnerships and limited liability partnerships – all provide a lot for lawyers to do.

We understand that you played a role in the new Companies and Allied Matters Act 2020. Can you tell us more about this?

I got involved in the effort to support a bill to repeal and re-enact the Companies and Allied Matters Act, Cap C20, LFN 2004 (CAMA) in 2016 when the NBA SBL advised the CAC on changes that should be made to the CAMA. In May 2017, I was asked to Chair of the Technical

Advisory Committee (TAC) to the Nigerian Senate on the review of bills to amend the CAMA and the Investments and Securities Act 2007. The starting point for the CAMA bill was the work that the NBA SBL had done on the CAMA earlier. The TAC submitted a draft bill for the repeal and re-enactment of the CAMA to the Senate in February 2018. That bill was passed by both houses of the National Assembly, but did not receive the President's assent. The bill was re-introduced with amendments, and passed by the 9th National Assembly, before being assented to by the President on 7th August 2020.

The signing of the CAMA 2020 has been received with much excitement in the legal and business communities. This is because the CAMA 2020 is one of the most impactful statutes of our time, and is designed to enhance the ease of doing business in Nigeria, especially for micro, small and medium-scale enterprises which are the engine of the Nigerian economy. The Act is the product of a collaborative effort amongst various stakeholders including the NBA SBL, the CAC, the Presidential Enabling Business Environment Council and the Nigerian Economic Summit Group under the National Assembly Business Environment Roundtable. It is the culmination of several years of hard work and reflective of the NBA SBL's commitment to progressive legal reform through smarter regulation.

What are some highlights of the CAMA 2020 that we should look forward to?

The CAMA 2020 introduces a lot of long-awaited changes into Nigerian company law. I will highlight a few of them.

- It is now possible to have single shareholder/single

director companies. This is available to small companies. Single member and director companies will make it possible for business owners who currently trade as sole proprietors to register a company without the need to bring in new owners/directors at the initial stage, and continue to run their business as before but with benefits of limited liability and access to credit.

- The threshold for defining small companies has been increased, to enable more companies qualify as small companies and therefore, enjoy the benefits conferred on small companies by the CAMA 2020. Under the CAMA, a small company was a company that, amongst other criteria, had a turnover of not more than N 2 million and a net asset value of not more than N 1 million. Under the CAMA 2020 a small company is a company that, amongst other criteria, has a turnover of not more than N 120 million and a net asset value of not more than N 60 million. The additional benefits that small companies enjoy are that they do not have to hold annual general meetings, appoint auditors or a company secretary.

- Electronic innovations - company records can be maintained in electronic format;
- electronic share transfer forms will be accepted by all companies;
- a private company may hold its general meetings electronically provided that such meetings are conducted in accordance with the articles of the company;
- in addition to the notice given personally or by post, notice may also be



14th Annual Business Law e-conference



qualified financial contracts such as derivatives, swaps and hedging transactions.

How can law firms shape the future of law in Nigeria?

I think that the role that law firms (acting through the NBA SBL) played in shaping the reform of the CAMA is one illustration of how we can help shape the future of law in Nigeria.

During the NBA SBL e-Conference, our future of the law session, which was designed and executed by the young lawyers, focused on four topical issues on which they engaged in a vigorous debate. This has been a feature of the NBA SBL conference in the past few years. By empowering young lawyers and giving them a platform to make their voices heard, we help shape the future of law because they are the future.

Our conference focused on digital innovation for growth and the current pandemic has made it clear that it is only by leveraging on digital technology that lawyers in Nigeria can remain relevant to their clients and continue to operate their firms remotely. Although the law is a traditional and conservative profession, we have to continually adapt and embrace change in order to remain relevant and successful in our respective areas of specialisation.

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- given by electronic mail to any member who has provided the company an electronic mail address; and
- any document required to be annexed to the annual return may be delivered to the CAC either in hard or soft copy.
- There is no longer a concept of authorised share capital. Instead, companies are only required to ensure that they maintain the minimum issued share capital required under the CAMA 2020 and that a quarter of their issued share capital is paid up. The minimum issued share capital for private companies is N100,000 while for public companies it is N2,000,000.
- New entities have been introduced into our company law. These are limited partnerships and limited liability partnerships. This will provide more options for investors seeking to structure their holdings in Nigerian businesses.
- The cost of registering security interests at the CAC has been reduced by 65% for private companies and 82.5% for public companies. Prior to the CAMA 2020, the CAC filing

fee for registering security interests was 1% of the secured amount (for private companies) and 2% of the secured amount (for public companies). Under the CAMA 2020, the CAC cannot charge more than 0.35% of the secured amount. This has substantial implications for the cost to Nigerian businesses of obtaining credit, as Nigeria has had a reputation for the significant regulatory costs

associated with creating security for debt financing.

- Company rescue processes have been introduced. These processes are administration and company voluntary arrangements. The introduction of these concepts will provide a way for Nigerian companies that are in financial difficulty to explore ways by which they can rescue their business and be able to continue as a

going concern. Winding up will no longer be the only option available for dealing with insolvent companies. The test for an insolvency (inability to pay debts as they fall due) has been increased from N2,000 to N200,000 to reflect present day realities.

- Netting provisions based on the ISDA model netting law, have been introduced to facilitate the participation of Nigerian entities in

Covid 19 presents Nigeria with great economic and health challenges. With this Pandemic, is Nigeria still attractive for investments?

Investing in Nigeria is tough even in good times. The COVID-19 pandemic has made this even more challenging. I expect that investors will continue to look for good investment opportunities in Nigeria because of the size of this market and the spending power of its middle class. Sectors such as medical

services, fast-moving consumer goods and technology are viewed as being more COVID-resilient than other sectors such as oil and gas, and so investments into those sectors are expected. Regulatory intervention might also increase investment activities in certain sectors, for instance, the recapitalisation in the insurance sector has maintained the momentum of activity in that sector.

Osagie had to adapt quite swiftly by mid-March 2020 to the impending lockdown. We did this by investing in the infrastructure required to ensure that all our lawyers and members of our operations team were able to work efficiently from home. This enabled us to make a seamless transition to working from home without any delays in our ability to deliver on commitments to clients.

We have created a COVID hub on our website (www.uubo.org) where we have provided free advice on issues that are likely to be of concern or interest to our

How are you helping your clients to navigate these challenging times?

As a firm, Udo Udoma & Belo-

In order for regulators to create an enabling environment that meets the country's needs for investment as well as the investors' needs, the regulators have to see themselves as catalysts of investment and partners with the private sector to promote business and enterprise, which will lead to a larger tax base, and ultimately, a more developed economy.

clients, such as employees and employment-related issues occasioned by the pandemic, the conduct of court trials during this period, and the ability of investors who were in the process of making an investment when the pandemic hit, to complete their investments in a timely manner. We provide our clients with updates on all key developments and are in constant contact with them to ensure that they know that we are available to support them as required.

How will you advise the regulators in creating an enabling environment to meet investment needs?

In order for regulators to create an enabling environment that meets the country's needs for investment as well as the investors' needs, the regulators have to see themselves as catalysts of investment and partners with the private sector to promote

business and enterprise, which will lead to a larger tax base, and ultimately, a more developed economy. Capacity building to ensure that regulators are up to date on changes in the industries or sectors that they regulate is also key. Keeping an open door at all times will foster constant engagement and knowledge sharing between the regulators and key players in the relevant sectors which will lead to more informed regulation (i.e. smarter regulation) that encourages, rather than hinders, growth. Finally, digitising the regulatory process to ease the burden of compliance with statutory filing and reporting requirements because digital technology can be used to improve turn-around times and the overall efficiency of the regulatory process.



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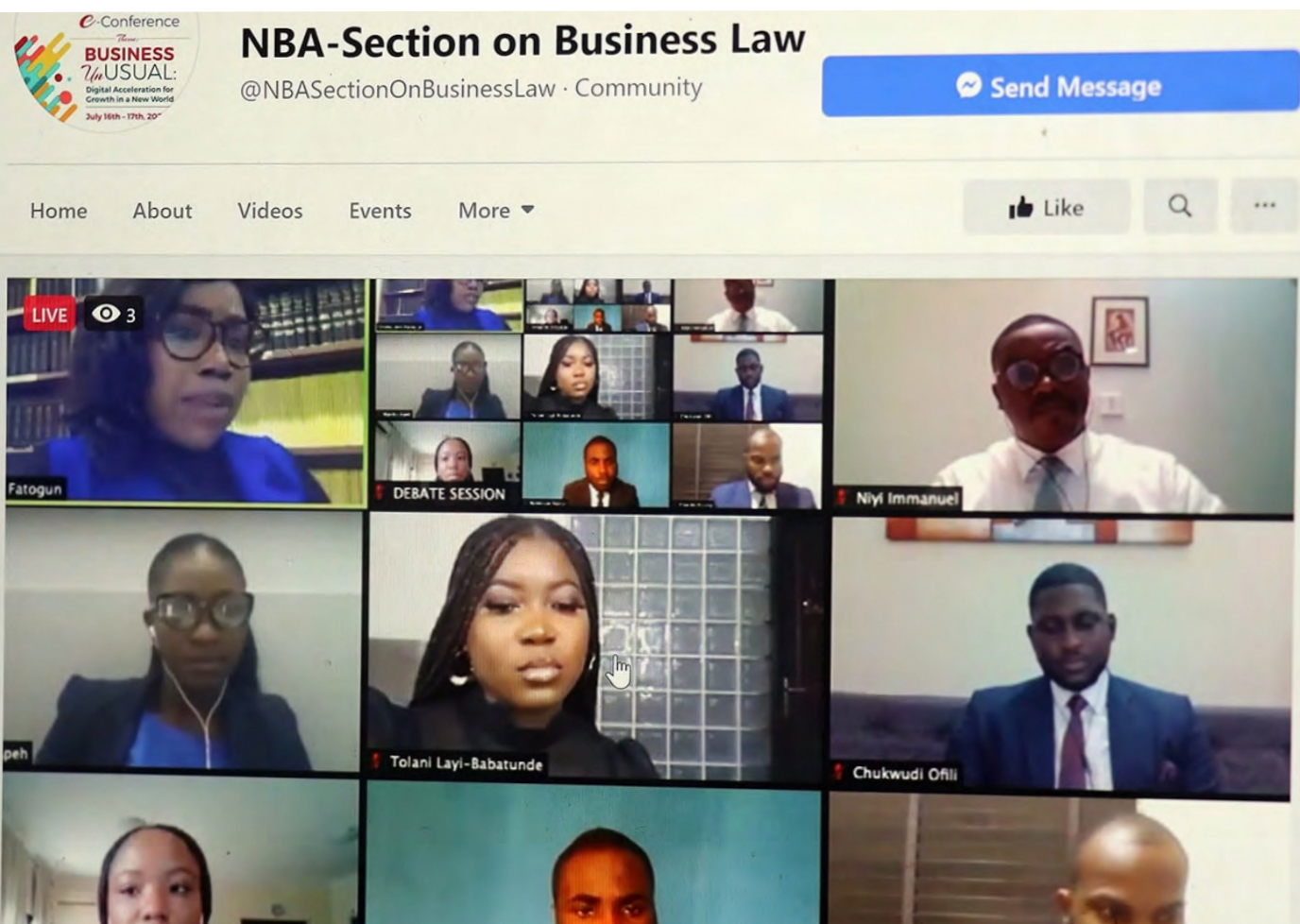
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