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# **Nigeria's Anti-Bribery & Corruption (ABC) and Anti-Money Laundering (AML) Landscape: A Q & A**



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Nigeria's regulatory landscape for Anti-Bribery and Corruption ("ABC") and Anti-Money Laundering ("AML") continued to evolve in 2025, reflecting increased enforcement activity, deeper global cooperation, and heightened expectations across both financial and non-financial sectors.

This article provides an overview of Nigeria's ABC and AML landscape, highlighting recent key regulatory developments, enforcement trends, and practical steps organisations can take to strengthen controls and prepare for emerging challenges in 2026 and beyond.

## **1. What constitutes bribery, corruption, and money laundering under Nigerian law, and is there a monetary threshold for determining corrupt conduct?**

Under Nigerian law, bribery involves the giving, receiving, or soliciting of any gratification to improperly influence an official act, while corruption broadly encompasses bribery, fraud, abuse of office, and related offences.

According to the Corrupt Practices and Other Related Offences Act 2000 (the "Corrupt Practices Act"), Corruption is defined as bribery, fraud and other related offences<sup>1</sup>. Money laundering refers to the concealment, disguise, conversion, transfer, removal from jurisdiction, acquisition, use, retention, or control of funds or property, knowing that such funds or property are derived from the proceeds of unlawful activity.

Nigeria's bribery and corruption laws do not prescribe any statutory monetary threshold for determining the occurrence of bribery or corrupt conduct. Any benefit offered or received with the intent to influence is unlawful, regardless of value. In recent judicial decisions, including *Federal Republic of Nigeria v. Olajide Omokore & 5 Ors*<sup>2</sup>, the courts have emphasised the need to reconcile acceptable gift thresholds with ethical expectations, reinforcing the principle that public officers must exercise restraint and adhere to ethical standards at all times.

While there is equally no monetary threshold for determining the occurrence of money laundering activities, the Money Laundering (Prevention and Prohibition) Act 2022 ("MLA") introduces cash-transaction thresholds as preventive measures. Individuals may not conduct cash transactions above ₦5,000,000, and corporate entities above ₦10,000,000, except through a financial institution. In addition, cross-border transfers or transportation of cash exceeding US\$10,000 must be declared, and suspicious transactions must be reported regardless of amount.

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<sup>1</sup> Section 2 of The Corrupt Practices and Other Related Offences Act, 2000

<sup>2</sup> FHC/ABJ/CR/121/2016 – Federal Republic of Nigeria v Olajide Omokore & 5 Ors., judgment delivered on 7th February 2023



## 2. What key laws and regulations govern ABC and AML compliance in Nigeria?

Nigeria has an established and robust legal framework to combat bribery, corruption, and money laundering.

**ABC Framework:** The 1999 Constitution of the Federal Republic of Nigeria (as amended) sets ethical standards for public officers through its Code of Conduct provisions. The Corrupt Practices and Other Related Offences Act 2000 criminalises bribery, gratification, and abuse of office and establishes the Independent Corrupt Practices and Other Related Offences Commission ("ICPC"). The Economic and Financial Crimes Commission Act, 2004 empowers the Economic and Financial Crimes Commission ("EFCC") to investigate and prosecute financial crimes, while the Code of Conduct Bureau and Tribunal Act 2004 enforces transparency and accountability among public officers. The Criminal Code and Penal Code also contain general provisions addressing corrupt practices.

**AML Framework:** The Money Laundering (Prevention and Prohibition) Act 2022 ("MLA") serves as the primary AML legislation, mandating Know-Your-Customer ("KYC") procedures, suspicious transaction reporting, and cash-transaction thresholds. The Terrorism (Prevention and Prohibition) Act 2022 addresses terrorist-financing risks and broader AML/CFT obligations. Sector-specific regulators have issued AML/CFT regulations aligned with these statutes. The Nigeria Financial Intelligence Unit ("NFIU") Act 2018, and the 2024 NFIU Guidelines for the Identification, Verification and Reporting of Suspicious Transactions related to Money Laundering, Financing of Terrorism, and Proliferation of Weapons of Mass Destruction ("ML/FT/PF") for Financial Institutions, centralises suspicious-transaction reporting, while the EFCC remains the primary enforcement authority.



### **3. Which government agencies enforce ABC compliance in Nigeria?**

The ICPC investigates and prosecutes bribery, gratification, and abuse of office, while the EFCC addresses a wider range of economic and financial crimes. The Code of Conduct Bureau and Tribunal enforce ethical standards applicable to public officers. The Nigeria Police Force and sector regulators also support anti-corruption enforcement.

### **4. Which government agencies enforce AML controls in Nigeria?**

For AML enforcement, the EFCC acts as the lead agency. The NFIU receives, analyses, and disseminates suspicious-transaction reports, while the Special Control Unit Against Money Laundering ("SCUML") supervises designated non-financial businesses and professions ("DNFBPs"), monitoring and enforcing their compliance with AML/CFT law. Regulators such as the Central Bank of Nigeria and the Securities and Exchange Commission impose AML obligations within their respective sectors.

### **5. Who must comply with Nigeria's AML and ABC obligations?**

Nigeria's AML and ABC framework applies broadly to individuals and entities operating in Nigeria. Primary compliance obligations, including customer due diligence, transaction monitoring, and reporting, apply to financial institutions such as banks, insurance companies, and capital market operators, as well as DNFBPs under the MLA. ABC laws apply to public officers as well as private-sector individuals and corporates engaged in commercial or official transactions.



## **6. When do gifts, hospitality, and tokens of appreciation become problematic?**

Gifts and hospitality become problematic when offered or received with the intent to influence official action or secure an improper advantage. The Code of Conduct regime prohibits public officers from accepting benefits connected to their official duties, subject to limited exceptions for customary gifts from close relations or ceremonial gifts treated as institutional property.

Additionally, the Corrupt Practices Act criminalises both the giving and receipt of gratification intended to improperly influence a public officer's official conduct, whether in decision-making, performance of duties, or the grant of contracts or advantages, and classifies such conduct as an offence punishable on conviction by five years' imprisonment with hard labour<sup>3</sup>.

Any gift from a party with business before the government is presumed improper unless proven otherwise. Certain sectors impose absolute prohibitions; for example, under the National Tobacco Control Act 2015, regulators and public officials may not receive any benefits from the tobacco industry. Best practice requires gifts and hospitality to be reasonable, proportionate, transparent, infrequent and bona fide, avoiding any appearance of impropriety. Lavish or frequent benefits, or those provided during sensitive business negotiations, are particularly high-risk and may be treated as corrupt acts.

## **7. Who qualifies as a Politically Exposed Person (PEP), and how are PEPs treated?**

The MLA defines PEPs to include individuals entrusted with prominent public functions domestically, internationally, or by international organisations, as well as their close associates and family members. PEPs are considered high-risk for AML/CFT/CPF purposes, requiring enhanced due diligence and ongoing monitoring by financial institutions and DNFBPs.

<sup>3</sup> Section 18 of the Corrupt Practices and other Related Offences Act.



## **8. What are the consequences of non-compliance with Nigeria's AML and ABC obligations?**

Non-compliance can result in criminal prosecution, civil liability, regulatory sanctions, licence revocation, substantial fines, confiscation of illicit proceeds, and imprisonment. Reputational damage may be severe, leading to loss of investor confidence, restricted access to financial services, and increased regulatory scrutiny.

Under Sections 18–20 of the Corrupt Practices Act, offering, soliciting, or accepting gratification or the abuse of office to confer a corrupt or unfair advantage up to five years' imprisonment, forfeiture of the gratification and a fine of at least five times the value of the gratification, or ₦10,000, whichever is higher.

Money laundering and related offences under the MLA, attract imprisonment ranging from four years to fourteen years, fines of not less than five times the value of the illicit funds, or both. For corporate entities, penalties may also include licence suspension or revocation, and in serious cases, winding up and forfeiture of assets to the Federal Government. In addition, offenders may be subject to professional bans, forfeiture of illicit proceeds, enhanced fines for reporting and record-keeping failures, and personal liability for directors and officers who authorised, connived in, or were negligent in relation to the offence.<sup>4</sup>

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<sup>4</sup> Sections 18 – 22 of the Money Laundering (Prevention and Prohibition) Act, 2022

## **9. How are organisations strengthening their ABC/AML frameworks?**

In response to rising regulatory expectations and global pressure, organisations are adopting risk-based compliance frameworks, investing in technology-enabled controls, and enhancing governance and oversight structures to meet international standards.

In the banking and financial services sector, institutions are enhancing their approach to risk by improving customer due diligence and transaction monitoring systems, scaling their reliance on automated AML systems, and expanding their reporting lines to regulators. Within the manufacturing sector, companies are rapidly incorporating ABC/AML checks into procurement, supply-chain management, and third-party engagement processes. This includes enhanced due diligence on vendors, agents, and distributors, as well as tighter controls over cash payments and hospitality. Additionally, it entails transparent internal policies governing payments and conflicts of interest, particularly for businesses operating in multiple jurisdictions.

In the telecommunications sector, companies are leveraging data analytics and technology-enabled controls to manage high-volume transactions and complex distribution networks. Strengthening oversight of dealers, resellers, and mobile money agents has become a key focus, alongside improved record-keeping, transaction traceability, and real-time monitoring to mitigate fraud, bribery, and money laundering risks. For the energy sector, heightened regulatory scrutiny and exposure to public sector interactions have driven stronger governance and compliance structures. Organisations are enhancing project-level risk assessments, implementing robust due diligence for third-party and joint venture relationships, and reinforcing approval and documentation processes for payments, licensing, and community engagement to address bribery and corruption risks inherent in the sector.

Spanning sectors, these measures indicate a shift from a rigid approach to compliance to more integrated, risk-aware ABC/AML frameworks that prioritise accountability, technology, and governance in core business operations.

## **10. What role does technology play in compliance?**

Technology has transformed KYC, transaction monitoring, and reporting. Digital onboarding, biometric verification, AI-driven risk scoring, and automated reporting platforms enable real-time detection of suspicious activity and timely submission of reports to the NFIU, while improving enterprise-wide risk management.

## 11. What trends shaped Nigeria's ABC/AML landscape in 2025?

Nigeria's ABC AML landscape in 2025 was marked by a clear regulatory and supervisory push toward technology-enabled compliance solutions. In May 2025, the Central Bank of Nigeria ("CBN") issued baseline standards for automated AML solutions, signalling a decisive shift away from predominantly manual compliance processes toward AI-driven transaction monitoring, real-time sanctions screening, and enhanced auditability through emerging technologies. In response, regulated entities increasingly adopted digital identity-verification tools, automated screening systems, data analytics and advanced transaction-monitoring technologies to address rising fraud risks, expanding cross-border transactions, and the rapid expansion of fintech-driven payment platforms. These tools integrate biometric identity checks, documents authentication, sanctions and adverse media screening, continuous monitoring, and automated reporting workflows, enabling institutions to meet the CBN's 2025 standards.

Regulatory attention also intensified around beneficial ownership transparency, strengthened customer due diligence requirements, and clearer reporting obligations for both financial institutions and DNFBPs. At a two-day sensitization and capacity building workshop organized by the Civil Society Legislative Advocacy Centre, the Registrar-General of the Corporate Affairs Commission ("CAC") urged government agencies to strengthen the enforcement of Nigeria's Beneficial Ownership Register (BOR) to combat financial crimes and promote corporate transparency. Experts at the workshop also proposed mandatory data cross-checking among regulators to verify ownership disclosures, international data exchange, and a unified system to streamline investigations and enforcement efforts<sup>5</sup>. At the same time, heightened focus was directed at the risks associated with crypto-assets and other virtual asset transactions, reflecting broader global concerns regarding their misuse for illicit financial flows. The enactment of the Investments and Securities Act 2025 formally recognised cryptocurrencies and other virtual assets as securities and placed exchanges, virtual-asset service providers, and custodians under the direct regulatory oversight of the Securities and Exchange Commission. This shift ended years of ambiguity and enabled regulators to supervise crypto-asset activities more closely, respond to emerging risks, and enforce compliance obligations on operators.

Taken together, these developments accelerated the shift toward integrated data management systems, stronger internal governance frameworks, and more proactive, risk-based approaches to financial crime compliance. For organisations operating in or with Nigeria, 2025 underscored the growing expectation that ABC and AML programmes must be technologically robust, forward-looking, and aligned with evolving regulatory and enforcement priorities.

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<sup>5</sup><https://www.vanguardngr.com/2025/03/experts-call-for-stronger-collaboration-on-nigerias-beneficial-ownership-register/>



## **12. What is the significance of Nigeria's exit from the FATF grey list?**

Nigeria's removal from the FATF grey list reflects increased confidence in its regulatory reforms and is expected to improve correspondent-banking relationships, reduce cross-border transaction friction, and lower compliance costs. Sustaining this status will require continued regulatory vigilance and institutional investment in robust compliance frameworks.

## **13. What practical steps can companies take to embed a culture of compliance and reduce bribery and money laundering risk?**

Embedding a strong culture of compliance is increasingly critical for organisations seeking to mitigate bribery, corruption, and money-laundering risks. Beyond formal policies, companies must adopt practical, organisation-wide measures that promote accountability, awareness, and proactive risk management. Key steps include the following:

- i. Establishing a dedicated compliance function led by a suitably qualified and independent compliance officer with clear authority and reporting lines;
- ii. Conducting regular AML/CFT/CPF risk assessments across business units and functions to identify, assess, and monitor exposure to financial crime risks;
- iii. Implementing periodic employee training programmes to ensure staff are able to identify red flags, understand reporting obligations, and recognise emerging AML/CFT/CPF risks relevant to their roles;
- iv. Monitoring regulatory developments to ensure ongoing compliance with applicable AML/CFT/CPF laws, regulations, and supervisory guidance; and
- v. Maintaining robust internal policies and procedures, supported by effective KYC and customer due diligence controls, ongoing monitoring, and clear escalation and reporting mechanisms.

These measures help institutionalise compliance, strengthen governance frameworks, and reduce exposure to bribery, corruption, and money-laundering risks.

#### **14. What should organisations prioritise in 2026?**

Regulators are expected to focus on real-time monitoring, beneficial-ownership transparency, digital-asset risks, ethical AI use, and proactive reporting. Organisations should prioritise upgrading monitoring capabilities, strengthening data architecture, enhancing AI governance, expanding intelligence-sharing, and investing in continuous training.

Looking ahead to 2026, organisations that embed a culture of integrity, adopt proactive compliance strategies, and stay ahead of regulatory change will be best positioned to mitigate legal, financial, and reputational risk.