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Nigeria Summary 21 February 2025

Nigeria sues global cryptocurrency firm Binance for \$81.5 billion in economic losses and back taxes amid bribery allegation against three Nigerian lawmakers by Binance executive, Tigran Gambaryan. The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) bans exportation of crude products intended for domestic refinery, threatening sanctions against oil firms deliberately violating local supply obligation. United States (US)-headquartered International Business Machines (IBM) exits Nigeria as part of broader a larger restructuring initiative, ending its 50-year presence in Nigeria. Nigerian Port Authorities (NPA) announces a 15% increase in port charges, marking the first major tariff adjustment in 32 years.

Government files \$81.5 billion lawsuit against Binance

Court documents revealed on 19 February that **Nigeria** has filed a lawsuit against global cryptocurrency firm **Binance Holdings Ltd**, seeking \$79.5 billion in damages for alleged economic losses.¹ The legal action, filed in the Federal High Court in **Abuja**, accuses the cryptocurrency exchange platform of operating without proper licensing and failing to comply with Nigerian tax regulations.² The **Federal Inland Revenue Service (FIRS)**, acting as the plaintiff, is demanding \$2 billion in unpaid taxes from Binance for the years 2022 and 2023, along with a 10% annual penalty on these outstanding amounts. Additionally, FIRS is seeking interest payments at a rate of 26.75% on the unpaid taxes, calculated using the **Central Bank of Nigeria's (CBN)** lending rate from 1 January 2023 to 1 January 2024.³ The lawsuit names Binance and two of its executives, **Tigran Gambaryan** and **Nadeem Anjarwalla**, as defendants, and accuses them of violating Nigerian laws by failing to register with FIRS for tax compliance, despite maintaining a significant economic presence in the country.⁴

The lawsuit also alleges that Binance's activities contributed to the depreciation of the naira in early 2024. The legal action cites multiple regulatory violations by Binance, including breaches of the **Companies Income Tax Act**, the **Federal Inland Revenue Service (Establishment) Act 2007**, the **CBN Regulatory Framework for Mobile Money Services**, and the **Companies Income Tax Significant Economic Presence Order**. These regulations specify the tax obligations for foreign and non-resident companies that provide digital services in Nigeria.⁵ Prior to this lawsuit, Binance was already facing four criminal charges related to tax evasion in Nigeria following a government crackdown on cryptocurrency trading in March 2024. The charges include failure to pay value-added tax (VAT) and company income tax, non-filing of tax returns, and allegedly enabling its customers to evade taxes through its platform.⁶

Nigeria's **Economic and Financial Crime Commission (EFCC)** filed five counts of money laundering and tax evasion charges against Binance and detained two of its executives. While both executives were initially held (*see ARC Briefing Nigeria Mar 2024*), the Nigerian court later dropped the money laundering charges against Gambaryan in October 2024, citing humanitarian concerns due to his declining health.⁷ The new lawsuit follows a recent controversy where Gambaryan, through his **X**

¹ Reuters, 19 Feb 2025

² Punch, 19 Feb 2025

³ Daily Post, 19 Feb 2025

⁴ Punch, 19 Feb 2025

⁵ Techpoint, 19 Feb 2025

⁶ The Guardian, 19 Feb 2025

⁷ Daily Post, 19 Feb 2025

(formerly **Twitter**) account on 14 February, alleged that three members of the **House of Representatives** had solicited a \$150m bribe paid in cryptocurrency into their personal wallets.⁸ The Nigerian government has refuted Gambaryan's claims, asserting that there is no credible evidence to substantiate his bribery allegations and cautioning against the spread of misinformation.⁹

While Binance is challenging the charges, this represents an escalation in the ongoing conflict between Binance and Nigerian authorities. As the case unfolds, it is anticipated to have major implications for the functioning of cryptocurrency platforms in Nigeria and could shape future regulatory frameworks for digital assets in the country.

NUPRC ban export of crude oil allocated to domestic refinery

The **Nigerian Upstream Petroleum Regulatory Commission (NUPRC)** has prohibited the export of crude oil designated for domestic refineries with NUPRC's chief executive officer (CEO), **Gbenga Komolafe**, warning that exploration, production companies and their partners that diverting domestically allocated crude oil violates existing laws and will result in penalties.¹⁰ The NUPRC emphasised in its statement on 2 February that it will deny export permits for crude oil shipments meant for local refineries if companies fail to meet their domestic supply obligations. Additionally, any modifications to cargo designations originally intended for domestic refining must receive approval only from the NUPRC's CEO.¹¹

At a previous stakeholder meeting, tensions emerged between refiners and producers over the implementation of the **Domestic Crude Supply Obligation (DCSO)** policy. Refiners accused producers of failing to meet supply agreements, preferring to sell crude oil internationally, forcing refineries to seek alternative feedstock sources. Producers countered these claims by asserting that refiners rarely fulfil their commercial and operational commitments, compelling producers to explore other markets to avoid operational disruptions.¹² Supporting the policy, **Crude Oil Refinery-owners Association of Nigeria (CORAN)** publicity secretary **Eche Idoko** disclosed that domestic refiners have struggled for months without receiving their allocated crude through the DCSO. This has forced them to rely on private arrangements and imports for their supply needs, while some refiners have completely suspended their operations.¹³

The government's new export ban policy demonstrates its determination to boost domestic refining capacity and meet local fuel demand, thereby reducing expensive imports and stabilising fuel prices. Also, it will boost the Naira-for-Crude programme, which aims at ensuring local refineries receive crude oil in naira and sell refined products to marketers in the local currency.

Industry analysts expect this decision to improve operational efficiency at local refineries, including the **Dangote Refinery** and state-owned facilities operated by the **Nigerian National Petroleum Company Limited (NNPCL)**.¹⁴ In a previous report, NUPRC disclosed that the Dangote Refinery and seven other domestic refineries require 770,500 barrels of crude per day (bpd) for processing in the first half of the year.¹⁵ However, Nigeria has historically struggled with policy implementation and sustainability due to weak political will and corruption. The key question remains whether the regulatory body will maintain and enforce this export ban effectively.

Tech Company, IBM exits Nigeria

United States (US)-headquartered **International Business Machines (IBM) Corporation** has announced it will cease direct operations in Nigeria, marking the end of IBM's more than 50-year

⁸ Tigran Gambaryan via X, 14 Feb 2025

⁹ This Day, 17 Feb 2025

¹⁰ Vanguard, 4 Feb 2025

¹¹ Arise News, 4 Feb 2025

¹² Vanguard, 4 Feb 2025

¹³ Punch 10 Feb 2025

¹⁴ Pioneer News, 4 Feb 2025

¹⁵ Vanguard, 4 Feb 2025

presence in Nigeria, during which the company played a pivotal role in shaping the country's technological landscape. IBM will transfer its regional functions to **MIBB**, a subsidiary of **Lebanon**-headquartered **Midis Group**, a multinational IT and telecommunications conglomerate, operating in **Europe**, the **Middle East**, and **Africa (EMEA)**. The transition is part of IBM's new operating model for select African countries and will take effect on 1 April 2025.¹⁶ Under this restructuring, MIBB will assume control of IBM's operations across 36 African countries, becoming responsible for marketing and distributing IBM's products and services. IBM has emphasised that this partnership will give MIBB's sales network direct access to IBM's technology, services, and support infrastructure.¹⁷ The company selected MIBB as its regional partner based on the firm's extensive understanding of African markets and demonstrated ability to scale operations, viewing these capabilities as crucial for driving innovation and business growth throughout the region.¹⁸

IBM has provided essential infrastructure and consulting services to key sectors in Nigeria, including banking, telecommunications, oil and gas, and government agencies.¹⁹ The company's high-end storage and computing solutions became particularly integral to Nigeria's major commercial banks. However, IBM's client base has diminished in recent years due to growing competition from rivals such as US-based **Dell** and **China's Huawei**, both of which have strengthened their presence in Nigeria's banking sector.²⁰

The company joins a growing list of tech firms either withdrawing or downsizing their operations in Nigeria. In 2024, US-based **Meta** and **Microsoft** scaled back their physical presence in the country, reducing office spaces and shifting to a desk-sharing model for employees.²¹ While the transition to MIBB could bring new opportunities for innovation and support, it might also pose challenges for companies dependent on IBM's products and services, especially during the transitional phase. The complete impact of this change will likely become evident in the months ahead as Nigeria's tech ecosystem adapts to the new operational framework.

IBM's exit also underscores the persistent economic challenges driving global companies to reassess their investments in Nigeria. Issues like foreign exchange instability, policy unpredictability, and rising operational costs have made it increasingly difficult for businesses to sustain a consistent presence in the country.²² As Nigeria's economy encounters growing strain, the departure of major corporations prompts concerns about the nation's appeal to foreign investors. Although IBM's brand will remain accessible via MIBB, its physical exit highlights a change in how global tech companies approach operations in Nigeria.

Nigerian port authorities increase tariff

The **Nigerian Port Authorities (NPA)** has announced its first major tariff adjustment in 32 years, implementing a 15% increase in port charges, citing the need to enhance port competitiveness and fund infrastructure development.²³ During a maritime stakeholders' meeting in **Lagos** on 6 February, NPA managing director **Abubakar Dantsoho** announced the rate increase. He explained that the new tariffs are essential for upgrading port infrastructure to meet international standards, improving equipment quality, and enhancing overall service delivery at Nigerian ports.²⁴

In a **World Bank 2023 Container Port Performance Index (CPPI)**, Nigerian ports ranked among the world's least efficient, with only three of the country's seven ports - **Lagos**, **Onne**, and **Tin Can** - included in the assessment. Dantsoho noted that the international trade community relies on these

¹⁶ Tech Cabal, 5 Feb 2025

¹⁷ Guardian, 5 Feb 2025

¹⁸ Punch, 5 Feb 2025

¹⁹ Msme Africa Online, 6 Feb 2025

²⁰ Guardian, 5 Feb 2025

²¹ BusinessDay, 5 Feb 2025

²² Msme Africa Online, 6 Feb 2025

²³ Punch, 7 Feb 2025

²⁴ Vanguard, 7 Feb 2025

global port ratings and competitiveness indices when choosing trading partners.²⁵ The tariff increase has sparked concerns among stakeholders about rising operational costs and broader economic impacts, particularly the likelihood of higher consumer prices due to cost transfer. The **Manufacturers Association of Nigeria (MAN)** urged the NPA to reconsider the tariff increase, warning of potential negative effects on businesses and the economy. MAN's director general, **Segun Ajayi-Kadir**, emphasised that businesses are already struggling to cope with multiple challenges, including high operational costs, foreign exchange volatility, increasing energy prices, and general economic uncertainty.²⁶

Ajayi-Kadir cautioned that additional financial burdens would further strain manufacturers, especially given Nigeria's high dependence on imports. While he acknowledged NPA's revenue needs, he warned that increasing tariffs could have adverse long-term consequences.²⁷ He identified several key issues affecting port revenue, including congestion, operational inefficiencies, and high demurrage charges, suggesting these should be addressed instead of raising tariffs. MAN advocated for stakeholder discussions focused on improving port efficiency, streamlining operations, and creating a more business-friendly environment.²⁸

Prior to the increment, the **Nigeria Customs Service (NCS)** had announced plans on 5 February to introduce a 4% administrative charge on **Free-on-Board (FOB)** value of imports. The charge, calculated based on goods' value at their export point (excluding shipping and insurance costs), was introduced under the **Nigeria Customs Service Act 2023** to replace the existing 1% **Comprehensive Import Supervision Scheme (CISS)**.²⁹ However, following the business community's strong opposition over potential increases in import costs, the NCS suspended the implementation of this new policy on 11 February. NCS public relations officer **Abdullahi Maiwada** noted that the suspension period will allow the Customs Service to conduct a comprehensive review of its revenue framework and engage with stakeholders and government financial institutions.³⁰ The proposed port charges and customs fees represent a shift away from the federal government's stated commitment to improving Nigeria's ease of doing business, particularly at a time when businesses are advocating for a simpler tax system. These additional levies could undermine ongoing reform efforts and discourage potential investors, who would face increased costs from multiple taxation and policy uncertainty.

Planner

1 Mar 2025 **Kano (Nigeria) Artificial Intelligence in Information and Communication Conference**

18 - 20 Mar 2025 **Lagos (Nigeria) Nigeria Clean Energy Expo**

21 Mar 2025 **Abuja (Nigeria) International Conference on Civil and Human Rights (ICOCHR)**

22 Mar 2025 **Abuja (Nigeria) Nuclear and Renewable Energy Resources Conference**

27 Mar 2025 **Lagos (Nigeria) Tech Unite Africa**

2027 **(Nigeria)** Presidential election

Chronology

20 Feb 2025 **Abuja (Nigeria) Arise News. Central Bank of Nigeria's (CBN) Monetary Policy Committee (MPC)** opts to retain the **Monetary Policy Rate (MPR)** at 27.5%;

²⁵ Dataphyte, 14 Feb 2025

²⁶ Vanguard, 9 Feb 2025

²⁷ This Day, 10 Feb 2025

²⁸ Vanguard, 9 Feb 2025

²⁹ Premium Times, 12 Feb 2025

³⁰ Punch, 12 Feb 2025

- 20 Feb 2025 **Abuja (Nigeria)** *Wadr.org*. The **Senate** launches a probe into allegations that the **United States Agency for International Development (USAID)** is financing terrorism in the country;
- 20 Feb 2025 **Abuja (Nigeria)** *Market Forces Africa*. **Microsoft Nigeria**, a subsidiary of **United States**-headquartered **Microsoft**, invest \$1m to train and equip one million Nigerians with Artificial Intelligence (AI) skills;
- 19 Feb 2025 **Abuja (Nigeria)** *Proshare*. **Dangote Group** in a statement, discloses that **United States**-headquartered credit rating house **Fitch** suspended its rating because it stopped subscribing to the rating agency's services as it preferred to concentrate on obtaining ratings from local agencies;
- 18 Feb 2025 **Oyo (Nigeria)** *Daily Trust*. Oyo-based **Johnvents Group**, an agribusiness and manufacturing conglomerate partners with the **British International Investment**, the **United Kingdom's** development finance institution (DFI), in a \$40.5m investment aimed at boosting Nigeria's cocoa industry. The fund will support Johnvent's subsidiary, **Premium Cocoa Products** in expanding its production capacity from 13,000 to 30,000 metric tonnes per year, enhancing Nigeria's global competitiveness in cocoa exports;
- 13 Feb 2025 **Abuja (Nigeria)** *Daily Trust*. Nigeria's **National Assembly** approves a ₦54.4 trillion (\$36 billion) **Appropriation Bill for 2025** fiscal year;
- 11 Feb 2025 **Lagos (Nigeria)** *Ecofin Agency*. **United States**-headquartered credit rating agency **Fitch**, suspends rating **Dangote Industries** for undisclosed reasons but fellow US-based agencies **Moody's** and **S&P Global Ratings** are expected to continue assessing the company;
- 11 Feb 2025 **Abuja (Nigeria)** *ICIR*. The federal government takes over ownership of **Keystone Bank** following court's dissolution of the stake of its former shareholder, **Sigma Golf Nigeria Limited**;
- 6 Feb 2025 **Abuja (Nigeria)** *Wadr.org*. Nigeria secures \$500 m in concessional financing from the **World Bank** for the **Rural Access Agricultural Marketing Project – Scale Up (RAAMP-SU)**;
- 6 Feb 2025 **Abuja (Nigeria)** *Msme Africa Online*. The **Nigeria Postal Service (NIPOST)** announces it will transition from its current licensing system to a digital platform from the second quarter to fast-track licensing for logistics companies and enhance efficiency;
- 6 Feb 2025 **Abuja (Nigeria)** *Cable*. Petroleum resources minister **Heineken Lokpobiri** says government will revive the abandoned **Atlantic** refinery project in **Brass (Bayelsa State)**;
- 5 Feb 2025 **Abuja (Nigeria)** *Punch*. **Standard Chartered Bank (Nigeria) Limited** provides single digit loans to entrepreneurs;
- 5 Feb 2025 **Borno (Nigeria)** *Guardian*. President **Bola Tinubu** approves ₦80 billion (\$53m) for the reconstruction and upgrade of the collapsed **Alau Dam** in **Borno State**;
- 5 Feb 2025 **Lagos (Nigeria)** *Guardian*. Government approves a \$45m contract for the feasibility study and engineering design of a rail route linking four **Lagos** seaports **Deep Sea Port**, **Tin Can Seaport**, **Apapa Seaport**, and **Lekki Seaport** to the surrounding area;
- 5 Feb 2025 **Abuja (Nigeria)** *Naira Metrics*. The **United Nations World Food Programme (WFP)** allocates \$2.5 billion to its 2023-2027 **Nigeria Country Strategy Plan (CSP)**, a five-year initiative aimed at eradicating hunger and improving nutrition across the country;
- 5 Feb 2025 **Abuja (Nigeria)** *Naira Metrics*. **Central Bank of Nigeria (CBN)** introduces new guidelines permitting **Bureau de Change (BDC)** operators to purchase up to \$25,000 weekly from **Authorised Dealer Banks (ADB)**s to meet retail market demand for eligible invisible transactions;
- 5 Feb 2025 **Lagos (Nigeria)** *BusinessDay*. **Dangote Petroleum Refinery** exports two cargoes jet fuel (Jet A1) to **Saudi Arabian** owned oil company **Aramco**;

3 Feb 2025 **Abuja (Nigeria)** *Premium Times*. The **Federal Executive Council (FEC)** approves ₦4.8 billion (\$3m) for the procurement of 150,000 HIV treatment packs amid suspension of **AIDS Relief** fund by the **United States (US)** President **Donald Trump**;

31 Jan 2025 **Kogi (Nigeria)** *Punch*. State-owned **Nigerian National Petroleum Company Limited (NNPCL)** and partners begin the construction of five mini Liquefied Natural Gas plants in **Ajaokuta (Kogi State)** to enhance the energy industry and create job opportunities;

29 Jan 2025 **Abuja (Nigeria)** *Daily Post*. **African Development Bank (AfDB)** approves a \$1.1 billion loan for Nigeria to provide electricity for five million people by the end of 2026;

28 Jan 2025 **Abuja (Nigeria)** *Vanguard*. **Central Bank of Nigeria (CBN)** releases Nigeria's **Foreign Exchange (FX) Code** to mitigate risks following various positive transformations in the country's financial landscape, disclosing that the code draws on the principles from the **Global FX Code** and best practices adopted in leading countries;

26 Jan 2025 **Abuja (Nigeria)** *Parliament Diary*. Nigeria police force charge Abuja-headquartered **Sterling Bank** over alleged money laundering, fraudulent deductions and other financial crimes by its staff;

21 Jan 2025 **Lagos (Nigeria)** *Nan news*. **France** pledges to upgrade the **Nigerian Geological Survey Agency's (NGSA)** laboratory and provide it with advanced technological equipment;

About Africa Risk Consulting:

Africa Risk Consulting (ARC) is a pan-African consulting company that provides timely, relevant information and advice that enables its clients to take informed investment decisions and to safeguard their reputations.

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