

AFRICA RISK CONSULTING

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Nigeria Summary 21 August 2026

The European Union (EU) scales back on deploying a full election observation mission to Nigeria for the 2027 general elections, citing the deteriorating security situation and hostile treatment of its observers and officials following the 2023 elections. Gereg Power Plc defaults on its ₦40.09 billion (\$29.6m) Series 1 Senior Unsecured Bond, marking a notable escalation in debt-servicing pressures at one of Nigeria's leading listed power generation companies. The National Economic Council (NEC) approves a \$4.5 billion crude-backed pre-export financing facility that will allow the state-owned Nigerian National Petroleum Company Limited (NNPCL) to restructure existing oil-backed debt, ease pressure on crude oil allocations, and strengthen the country's external reserves. The United States Coast Guard (USCG) lifts its special security conditions on vessels entering US waters from Nigerian ports, ending a 12-year enforcement period. The Nigeria Revenue Service (NRS) releases new Guidelines on the taxation of virtual assets, establishing an administrative framework for the taxation of digital asset transactions.

EU pulls back from Nigeria's 2027 election, citing insecurity and hostile treatment

The **European Union (EU)** has ruled out deploying a full-scale election observation mission to Nigeria for the 2027 general elections, citing the hostile treatment of its observers and officials following its critical [assessment](#) of the 2023 elections. The EU also cited the deteriorating security situation across the country.

The EU conveyed this decision in response to an **Independent National Electoral Commission (INEC)** invitation letter to observe the 2027 polls, marking a departure from over two decades of EU election monitoring in Nigeria at full capacity. The arrangement [means](#) the EU will not deploy long-term observers across the states, short-term observers on election day, or a chief observer, as it has done during previous elections. The EU instead plans to station only a small team of officials in **Abuja** to monitor developments and report back to **Brussels**.

The EU presented its final report on the February 2023 general election in June 2023, but its findings became a source of controversy. The report contained 25 recommendations across six priority areas and identified what the EU described as enduring systemic weaknesses in Nigeria's electoral process. Among them were calls to [improve](#) the transparency of election results, strengthen safeguards around the appointment of INEC officials, address impunity for electoral offences, improve protections for journalists and tackle barriers women in politics face.

The Nigerian government pushed back strongly against the assessment at the time, rejecting some of the mission's conclusions. The report's publication triggered protests outside the EU delegation's office in Abuja, with demonstrators accusing the bloc of interfering in Nigeria's internal affairs and calling for its withdrawal.

The EU's decision to scale back its 2027 observation mission could reduce the level of independent international scrutiny of the elections, particularly given the broader geographic coverage provided by its previous missions. The reduced presence may also affect perceptions of the credibility and transparency of the 2027 polls, especially amid concerns over declining public confidence, voter participation, and the security environment.

Gereg Power Plc defaults in \$29.6m bond payment to investors

Nigerian power producer **Geregu Power Plc** has defaulted on its ₦40.09 billion (\$29.6m) **Series 1 Senior Unsecured Bond**, missing its eighth semi-annual coupon payment and its scheduled fourth principal bullet repayment. Nigeria's **FMDQ Securities Exchange** disclosed the [default](#) in an updated listing status, classifying the bond as being in 'credit default', raising concerns among investors.

The default follows a decline in Geregu Power's operating cash flows in recent months, driven by a significant decline in revenue and profitability. Geregu Power's profit after tax (PAT) fell by 88%, from ₦20.27 billion (\$14m) in the first half of (H1) 2025 to ₦2.54 billion (\$1.4m) in H1 2026, while revenue declined from ₦87.63 billion (\$64m) to ₦18.65 billion (\$13m) over the same period. The company attributed the operational slowdown to a planned ₦61.47 billion (\$45m) major turbine maintenance [programme](#), which is intended to improve long-term plant reliability and capacity availability. However, the temporary reduction in billable generation capacity and energy output has significantly weakened near-term margins and cash generation, contributing to the company's inability to meet its bond repayment obligations.

The seven-year bond, issued on 28 July 2022 at a fixed interest rate of 14.50% under Geregu Power's ₦100 billion (\$74m) debt issuance programme, was structured with semi-annual coupon payments and amortising principal repayments through its 28 July 2029 maturity. The missed payment therefore represents a mid-term default rather than a maturity-related failure, raising fresh concerns about Geregu Power's near-term liquidity and debt-servicing capacity.

Nigerian credit rating agency **Agusto & Co.** subsequently [withdrew](#) its A- rating for Geregu Power, citing insufficient reliable information to maintain an assessment of the company's creditworthiness.

Geregu Power reportedly paid ₦6 billion (\$4.4m) toward the ₦40.09 billion (\$29.6m) owed to [bond](#) investors on 19 August, although the company has not officially confirmed this payment. The default marks a notable escalation in debt-servicing pressures at one of Nigeria's leading listed power generation companies and comes seven months after a change in its [ownership](#) structure. In December 2025, **Abuja-based MA'AM Energy Limited** acquired a 95% stake in **Amperion Power Distribution Company**, Geregu Power's majority shareholder, although the transaction did not involve a direct sale of Geregu shares on the **Nigerian Security Exchange**.

NEC approves \$4.5 billion refinancing of NNPC's project Gazelle facility.

The **National Economic Council (NEC)** on 3 August approved the refinancing of \$3.3 billion **Project Gazelle** pre-export finance facility through a new \$4.5 billion facility, known as **Project Gazelle 2**, allowing state-owned **Nigerian National Petroleum Company Limited (NNPCL)** to refinance \$1.5 billion outstanding [under](#) the original facility, while raising an additional \$3 billion in liquidity.

The government established Project Gazelle in 2023 as a pre-export financing facility backed by future crude oil production to [provide](#) immediate funding for government obligations. Under the structure, specified volumes of Nigeria's crude production are committed daily to service the financing over an agreed period.

The Project Gazelle 2 refinancing extends and restructures the existing facility on improved terms, including a reduction in the pledged crude obligation from 90,000 barrels per day to approximately 78,750 barrels per day. This will release about 11,250 [barrels](#) of crude per day, equivalent to approximately 337,500 barrels per month or 4.1 million barrels annually, for use outside the financing arrangement.

The additional crude volumes could strengthen Nigeria's export capacity, improve domestic crude availability, and provide greater flexibility in meeting supply obligations to local refineries, including the **Dangote Petroleum Refinery** and other domestic processing plants. The additional volumes could also increase foreign exchange earnings if exported, while improving the government's flexibility in managing crude revenues and domestic supply requirements.

Oil-backed financing has become an important source of liquidity for the government in recent years, but such facilities can reduce the volume of oil available for direct exports and domestic refining,

particularly at a time when Nigeria is seeking to raise crude production, expand local refining capacity and increase foreign exchange earnings.

Meanwhile, NNPC has issued [tenders](#) to sell a cargo of its newest crude grade, **Cawthorne**, in September, alongside another cargo of **Bonny Light**. NNPC began exporting Cawthorne in March, adding to recently introduced grades such as **Nembe** and **Utapate**, as Nigeria seeks to increase crude production and diversify its export streams following years of underinvestment, oil theft, and operational disruptions.

The Cawthorne cargo is scheduled to load on 21 to 22 September and will comprise approximately 950,000 barrels. NNPC is also offering a 950,000 barrel Bonny Light cargo for loading between 30 September and 1 October. Sellers of West African crude grades have begun raising offer levels amid growing supply disruptions in the **Middle East**. However, trading activity remains relatively subdued as market participants await greater clarity on the volatile security situation around the **Strait of Hormuz**.

US lifts 12-year restrictions on Nigerian vessels

Marine and blue economy minister **Adegboyega Oyetola** confirmed on 18 August that the **United States Coast Guard (USCG)** has lifted security restrictions on vessels arriving from Nigeria, ending a 12-year [era](#) of strict port entry requirements. The USCG introduced the restrictions, known as **Conditions of Entry (CoE)**, in June 2014. Under the measures, vessels arriving at US ports from Nigeria were subject to additional security checks and requirements before being permitted to enter US waters. The USCG said Nigerian ports previously lacked effective counterterrorism measures, citing deficiencies in the country's legal framework, [oversight](#) by the designated maritime security authority, access control and cargo-handling procedures.

The USCG conducted four comprehensive assessments of Nigeria's national maritime security framework and port facilities between March 2024 and April 2026 which indicated significant improvements in Nigeria's maritime security performance and compliance with the **International Ship and Port Facility Security Code** across the country's [ports](#) and maritime facilities.

The lifting of the restrictions means vessels calling at Nigerian ports before sailing to the US will no longer be subject to the additional security requirements previously imposed under the programme. This is likely to reduce compliance costs and delays, improving vessel turnaround times and enhancing the competitiveness and reliability of Nigerian ports for international shipping lines.

NRS releases guidelines on virtual assets taxation

The **Nigeria Revenue Service (NRS)** issued comprehensive [guidelines](#) on the taxation of virtual assets on 31 July, establishing a regulatory framework for taxing cryptocurrency and other digital asset transactions in accordance with the **Nigeria Tax Act, 2025**, and the **Nigeria Tax Administration Act, 2025**.

The guidelines apply to a broad range of stakeholders, including individual taxpayers, **Virtual Asset Service Providers (VASPs)**, **Peer-to-Peer (P2P)** marketplace operators, tax consultants, financial institutions, and other entities engaged in virtual asset-related activities. The guidelines were introduced after President **Bola Tinubu** (2023- present) signed a presidential executive order on **Virtual Assets Coordination 2026** on 17 July, aimed at harmonising [digital](#) asset regulation and addressing financial fraud.

Under the framework, virtual assets are classified into six categories: cryptocurrencies such as **Bitcoin**, **Ether** and **Solana**; stablecoins and payment tokens; security and investment tokens; utility and governance tokens; non-fungible tokens (NFTs); and sovereign digital currencies. The **eNaira** and foreign central bank digital currencies are excluded from the virtual [asset](#) tax framework and are treated as fiat currencies.

The guidelines stipulate that income tax applies to gains from the disposal of virtual assets, as well as income or gifts received in virtual assets, including employment income, professional fees, mining rewards, staking rewards, decentralised finance (DeFi) rewards and airdrops. Companies are subject to a 30% income tax rate on applicable gains, while individuals are [taxed](#) at progressive rates. The framework also introduces a 1% withholding tax on gross disposal proceeds from cryptocurrencies, security and investment tokens, and NFTs, with VASPs responsible for collecting and remitting the levy.

Passive income derived from staking, mining, airdrops and DeFi yields is subject to a 10% withholding tax, while professional fees attract withholding tax at either 5% or 10%, depending on the applicable category.

United Kingdom headquartered **PricewaterhouseCoopers' (PwC)** Nigeria subsidiary published a tax alert on 31 July, welcoming the clarity the guidelines provided but raised concerns about several unresolved legal and [practical](#) issues surrounding the taxation of virtual assets. The firm warned that ambiguities in the framework could create compliance challenges for taxpayers, companies and VASPs.

One of the key issues PwC identified concerns the scope of the safe harbour for transfers between wallets owned by the same person. While the guidelines provide that transfers between wallets belonging to the same individual do not constitute a taxable disposal, PwC noted that the relief does not explicitly extend to companies or partnerships.

The firm said this limitation could create difficulties for corporate treasury operations involving multiple wallets, particularly where businesses transfer virtual assets between wallets under their ownership. The [guidelines](#) require asset prices to be obtained from an “*aggregator approved by the Service*”, but PwC noted that the NRS has yet to publish a list of approved aggregators. The absence of an official list could leave taxpayers and VASPs uncertain about which pricing sources to use when determining the value of virtual assets for tax calculations and reporting.

PwC also pointed out interaction between withholding [tax](#) and income tax. The firm warned that the two mechanisms would require careful reconciliation during annual tax filings to prevent taxpayers from being effectively overtaxed.

The new guidelines signal Nigeria's pivot from restricting virtual assets to formally regulating them. While the framework brings long-sought regulatory clarity to the cryptocurrency sector, investors and traders are divided; many fear that new tax liabilities and compliance requirements will discourage local innovation and market investment.

Planner

1 – 2 Sep 2026 **Lagos (Nigeria) Invest in Nigeria Conference and Expo**
 2 – 4 Sep 2026 **Lagos (Nigeria) AeroWest Annual Conference**
 5 Sep 2026 **Lagos (Nigeria) Founders Conference**
 8 Sep 2026 **Lagos (Nigeria) Nigeria Private Capital Summit**
 10 Sep 2026 **Lagos (Nigeria) Nigeria eGovernment Summit**
 16 Jan 2027 **(Nigeria) Presidential election**

Chronology

20 Aug 2026 **Niger Delta (Nigeria) Cable. Esso Exploration and Production Nigeria (Offshore East) Limited**, says its **Noble Gerry de Souza** drillship arrived in Nigerian waters to commence work on the **Usan field Infill Project (OML) 138**;

20 Aug 2026 **Abuja (Nigeria)** *www.gov.uk*. **United Kingdom (UK) Foreign, Commonwealth and Development Office (FCDO)** releases a travel advisory, cautioning its citizens against all travel to parts of 11 Nigerian states, citing regional security concerns, including **Borno, Yobe, Adamawa, Gombe, Katsina, Zamfara**, and riverine areas in **Delta, Bayelsa, Rivers, Akwa Ibom**, and **Cross River**;

19 Aug 2026 **Lagos (Nigeria)** *Daily Post*. Government evacuates 83 Nigerians from **South Africa** over renewed xenophobic attacks and protests in South Africa;

18 Aug 2026 **Abuja (Nigeria)** *ThisDaylive*. Government introduces the **National Digital Cloud Policy**, to strengthen the digital infrastructure and attract investments in cloud, data centers, and AI computing infrastructure. They aimed to have an initial private investment target of \$ 250m within the 1st 12 months of policy implementation, to increase to \$750m over the next 24 months;

18 Aug 2026 **Abuja (Nigeria)** *Daily Trust*. President **Bola Tinubu** and several other presidential candidates and parties signs the 1st **National Peace Accord** in preparation for the 2027 elections;

18 Aug 2026 **Abuja (Nigeria)** *Dangote Industries*. **Dangote Petroleum Refinery and Petrochemicals** secures an underwriting support of \$1 billion from a **Pan-African Refinery Investment** to support its initial public offering (IPO) to integrate the African capital market under the **African Continental Free Trade Area**;

17 Aug 2026 **Abuja (Nigeria)** *Vanguard*. Nigeria and **Australia** discuss opportunities to strengthen bilateral trade and investment, with both sides exploring greater economic cooperation;

17 Aug 2026 **Abuja (Nigeria)** *Premium Times*. **National Bureau of Statistics (NBS)** report that annual inflation rate marginally declined to 15.43% in July from 15.91% in June;

17 Aug 2026 **Abuja (Nigeria)** *Punch*. The **European Commission (EU)** distributes €1.5m (\$1.7m) to Nigeria's intervention teams in response to the **Cholera** outbreak;

9 Aug 2026 **Abuja (Nigeria)** *ThisDay*. **Independent National Electoral Commission (INEC)** publishes the personal particulars, academic credentials and other supporting documents of 19 presidential candidates for the 2027 general election;

6 Aug 2026 **Abuja (Nigeria)** *Punch*. **Nigeria** and **Canada** sign an expanded air transport agreement that will allow direct scheduled flights between both countries;

6 Aug 2026 **Abuja (Nigeria)** *The Cable*. **Dangote Refinery** delivers over 466,00 metric tonnes of aviation fuel to **Europe** in June, outpacing the **United States (US)** 399,000 tonnes of supplies under the same period;

6 Aug 2026 **Abuja (Nigeria)** *Punch*. Government rolls out renewable energy projects with the capacity to produce over 60.82MW of electricity into the national grid, following the groundbreaking of a 13.92 megawatt-peak (MWp) interconnected hybrid solar project;

5 Aug 2026 **Niger (Nigeria)** *Aljazeera*. Nigerian security forces rescue 308 kidnapped victims at a hideout in **Kainji Lake National Park (Niger State)**;

5 Aug 2026 **Abuja (Nigeria)** *Worldenergy.org*. Nigeria joins the **World Energy Council** following the newly constituted **National Member Committee and Governing Board**;

3 Aug 2026 **Ilorin (Nigeria)** *Daily Trust*. **Dangote Industries Limited** signs an \$800m agreement with **China-Headquartered Sinoma International Engineering Co., Limited** to expand the **Dangote Cement Plant** in **Ilorin (Ogun State)**, doubling its production capacity from six million to 12 million metric tonnes per annum (MTPA);

3 Aug 2026 **Abuja (Nigeria)** *The Africa Report*. **France-headquartered Total Energies EP Nigeria Limited** sues Nigerian tax authorities and state-owned **Nigerian National Petroleum Company Limited (NNPCL)** over disputed ₦ 75.2 billion (\$55.4m) petroleum tax assessment, saying the demand breaches the 2008 Modified Carry Agreement for an offshore oil project;

1 Aug 2026 **Lagos (Nigeria)** *Reuters*. **United States (US)** implements a policy requiring Nigerian applicants for B1 (business) and B2 (tourist) visas to pay a refundable bond of up to \$20,000 before a visa is issued;

31 Jul 2026 **Lagos (Nigeria)** *Premium Times*. Federal high court sentences two **Chinese** nationals to five years in prison each for illegal mining and the unlawful export of solid minerals from Nigeria;

31 Jul 2026 **Niger (Nigeria)** *Channels*. **Niger State** government signs agreement with the **Nigerian National Petroleum Company Limited (NNPCL)** for the development and implementation of a **Gas Master Plan** aimed to drive industrialisation and economic development in the state;

31 Jul 2026 **Abuja (Nigeria)** *The Sun*. Power minister, **Joseph Tegbe**, announces plans to phase out electricity subsidy payments from 2027 as part of efforts to address mounting debts in the power sector;

31 Jul 2026 **Abuja (Nigeria)** *The Nation*. State-owned **Nigerian National Petroleum Company Limited (NNPCL)** records ₦535 billion (\$391m) profit after tax in June, representing a 15.8% increase from the ₦462 billion (\$338m) in May;

28 Jul 2026 **Abuja (Nigeria)** *Punch*. Foreign affairs minister, **Sola Enikanolaiye**, meets with **South Africa's** international relations and cooperation minister, **Ronald Lamoya**, following the recurring xenophobic attacks targeting Nigerians and other African nationals in South Africa;

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