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THE THIRD 60-DAY NATIONAL ACTION PLAN: SYNOPSIS OF THE REFORM INITIATIVES

On Wednesday, February 21, 2018, the Federal Government of Nigeria (“FGN”), through the *Presidential Enabling Business Environment Council (“PEBEC”)*, unveiled the reform initiatives that are to drive the third phase of its **60-Day National Action Plan on the Ease of Doing Business in Nigeria (“NAP 3.0”)**.

The National Action Plan, an initiative of the current administration of His Excellency, President Muhammadu Buhari, GCFR, is championed by PEBEC – a special purpose vehicle chaired by His Excellency, the Vice President, Prof. Yemi Osinbajo, SAN GCON, with the Minister of Industry, Trade and Investment, Dr. Okechukwu Enelamah as Vice Chairman. The mandate of PEBEC, which is being implemented by the *Enabling Business Environment Secretariat (“EBES”)*, revolves around critical reforms which would make Nigeria a progressively easier place to do business with visible evidence of improved performances in the annual World Bank’s *Ease of Doing Business (“EoDB”)* rankings; have the ultimate goal of positioning Nigeria as Africa’s leading and globally competitive economy.

NAP 3.0, which is to run from February 5 to April 5, 2018 and is expected to consolidate on the gains of the two (2) earlier 60-Day NAPs, focuses on the most impactful reforms for the Nigerian business environment that would cascade the EoDB initiatives down to the sub-national level; through purposeful engagement with State governments and active collaboration with key private sector players. Essentially, NAP 3.0 envisions the deepening of Nigeria’s business climate reforms across nine (9) indicators namely:

- 1. Trading Across Borders;**
- 2. Trading within Nigeria;**
- 3. Entry & Exit of People;**
- 4. Getting Electricity;**
- 5. Starting a Business;**
- 6. Paying Taxes;**
- 7. Selling to Government;**
- 8. Enforcing Contracts; and**
- 9. Getting Credit.**

Unlike the previous NAPs, a total number of twenty-seven (27) ministries, departments and agencies of government (“MDAs”) have been detailed to drive the reform initiatives of the NAP 3.0. The relevant implementing MDAs are the Central Bank of Nigeria (“CBN”); Federal Ministry of Finance (“FMF”); Nigerian Shippers Council (“NSC”); Nigeria Customs Service (“NCS”); National Agency for Food and Drug Administration and Control (“NAFDAC”); Nigeria Police Force; Trademarks, Patent and Designs Registry (FMITI Commercial Law Dept.) (“TPDR”); Nigerian Civil Aviation Authority (“NCAA”); Nigeria Immigration Service (“NIS”); Federal Airports Authority of Nigeria (“FAAN”); Nigeria Agriculture Quarantine Service (“NAQS”); Department of State Services (“DSS”); National Collateral Registry (“NCR”); Nigerian Electricity Regulatory Commission (“NERC”); Eko Electricity Distribution Company (“Eko DisCo”); Ikeja Electricity Distribution Company (“Ikeja DisCo”); Kano Electricity Distribution Company (“Kano DisCo”); Kaduna Electricity Distribution Company (“Kaduna DisCo”); Federal Ministry



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of Environment (“FME”); Corporate Affairs Commission (“CAC”); Federal Inland Revenue Service (“FIRS”); Bureau of Public Procurement (“BPP”); Lagos State Judiciary; Kano State Judiciary; National Drug Law Enforcement Agency (“NDLEA”); and the Nigeria Electricity Management Services Agency (“NEMA”).

Below is a synopsis of the nine (9) reform indicators being promoted by the NAP 3.0:

- **Trading Across Borders**

For the enhancement of cross-border trading between Nigeria and other countries, the following reforms are to be implemented by the FMF, NCS, CBN, and the NSC with the overall impact of achieving reduction in cost and time for clearing of cargo at the Ports, as well as increased transparency and efficiency at the Ports:

S/No.	Reform Initiative	Expected Outcome
1.	Clarify and implement Import and Export Guidelines to drive efficiency at the Ports.	Clear implementation of Import and Export Guidelines, including categorisation of products to be palletised.
2.	Strengthen single joint cargo examination interface in all airports & seaports for import and export.	Simplified examination process at the Ports.
3.	Implement an electronic Nigerian Export Proceeds (NXP) form.	Faster distribution of NXP forms to Pre-shipment Inspection Agents & the NCS.
4.	Reduction in number of physical examination of cargo at Apapa Sea Port.	Reduction in number of physical examination of cargo at Apapa Sea Port.
5.	Pre-shipment Inspection Agents to digitise Requests for Information for all exports.	Elimination of physical visit to Pre-shipment Inspection Agents for inspection request.
6.	Enforce mandatory transmission of shipping line manifests to the NPA and the NCS within a minimum period of seven (7) days before arrival of vessels to Nigeria.	Improved risk assessment and optimised placement of containers for NCS examinations.

- **Trading Within Nigeria**

For the promotion of trading within the country, agencies such as NAFDAC, Nigeria Police Force, and TPDR are expected to implement the following reforms; with the overall impact of embracing a new regime of transparent, effective and efficient process for product registration; seamless movement of goods and people across the country with reduced rent seeking opportunities; and create an efficient system for Trademark registration:

S/No	Reform Initiative	Expected Outcome
1.	Clear all registration applications pending at NAFDAC as at December 2017.	Issuance of Certificates of Registration for all pending applications as at December



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		2017.
2.	Comply with ninety (90) day timeline to complete product registration by NAFDAC.	All product applications are expected to be completed within ninety (90) days as directed in the Presidential Executive Order 001 of 2017.
3.	Encourage reporting of illegal police roadblocks and institute consequence management.	Significant reduction in illegal road blocks around the country
4.	Publish backlog of all e-applications as at December 2017 in the Trademark Journal.	Publication of Trademark Journals for all pending e-applications as at December 2017.
5.	Issue all outstanding Certificates of Registration of Trademarks.	Issuance of Certificates of Registration for all unopposed published marks.

- **Entry and Exit of People**

For an overall impact of enhancing efficiency and transparency in entry, movement and exit of people in the Nigerian aviation sector, agencies such as the FAAN, NIS, NCAA, and EBES shall promote the following reform initiatives:

S/No	Reform Initiative	Expected Outcome
1.	Stop the use of Passenger Service Charge (PSC) stickers.	Enable the boarding of local flights by passengers without additional check at departure by FAAN.
2.	Improve the process of Visa on Arrival by enabling web-based application and approval.	A web-based application and approval system for Visa on Arrival applicants.
3.	Install luggage scanners at the arrival halls of international airports.	Minimise manual search by utilising scanners in scanning passengers' luggage upon arrival at international airports
4.	Enforce airline compliance with passengers' rights.	Make airlines more efficient at flight scheduling by minimising flight delays and cancellations.
5.	Enforce Single Passenger Clearance (SPC) interface at the airports.	Consolidation of the activities of all agencies operating at the airport into a single interface as directed in the Presidential Executive Order 001 of 2017.
6.	Deploy PEBC feedback kiosks at Lagos & Abuja airports.	Capture feedback and complaints for resolution and necessary action.

- **Getting Electricity**

In order to achieve meaningful impact of promoting efficiency and transparency in the process for new connections and new power plants, the NERC, Eko DisCo, Ikeja DisCo, Kano DisCo, Kaduna DisCo, NEMSA, and the FME shall implement the following reforms:



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S/No	Reform Initiative	Expected Outcome
1.	Drive 100% compliance with NERC Order on timelines for new connections to the Grid.	Reduction of procedures to five (5) steps and timeline to forty-four (44) days for new connections to the Grid as regards 50KVA transformers and above.
2.	Encourage DisCos to roll out e-application systems for new connections to the Grid.	Elimination of manual application, submission and approval process for new connections.
3.	DisCos to implement Grid Mapping using technology (GIS or EMS/SCADA).	Enabling DisCos to establish detailed data of customers and assets.
4.	Encourage adherence to timeline for Environmental Impact Assessment (EIA) application process.	Facilitation of timely determination of the various categories of EIA applications for electrical infrastructure.

- **Starting a Business**

The CAC shall continue with the ongoing reforms in business registration and regulations so as to build on the progress already made and also achieve maximum impact of improved transparency and efficiency in post-registration filings. In furtherance of this objective, the following reform initiative shall be driven by the CAC:

S/No	Reform Initiative	Expected Outcome
1.	Adhere to timelines for post registration filings.	Treatment of post-registration applications within twenty-four (24) hours at the CAC head-office.

- **Paying Taxes**

The FIRS is expected to implement the following reforms with the aim of achieving an overall impact of promoting transparency and efficiency in tax administration:

S/No	Reform Initiative	Expected Outcome
1.	Drive adoption of electronic filing of taxes for all categories of companies.	Provision of access to e-platforms for all classes of taxpayers.
2.	Adhere to timeline to complete a Corporate Income Tax (CIT) audit.	Compliance with the 90-day timeline to complete a CIT audit by the FIRS.

- **Selling to Government**

For maximum impact in increasing the number of small businesses to which governments contracts are accessible, the BPP is expected to drive the following reform:

S/No	Reform Initiative	Expected Outcome
1.	Communicate and enforce minimum	Creation of exemption for businesses with



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	employee requirement for pension contributions as fifteen (15) employees, as prescribed in the Pension Reform Act, 2014.	less than fifteen (15) employees from the requirement to produce pension contribution certificates as part of bidding documentation.
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- **Enforcing Contracts**

In order to make considerable impact in fast tracking the resolution of small commercial claims for Small and Medium Enterprises (“SMEs”), the Lagos State Judiciary and the Kano State Judiciary are expected to promote the following reform initiatives:

S/No	Reform Initiative	Expected Outcome
1.	Build the capacity of magistrates for specialised small claims commercial courts in the States of Lagos and Kano.	Production of skilled magistrates who are able to handle small commercial claims in an expeditious manner.
2.	Introduce specialised small claims commercial courts in the States of Lagos and Kano.	Handling of small commercial suits within a 60-day period from filing till judgment.

- **Getting Credit**

The CBN in collaboration with the NCR are expected to drive the following reform, with the aim of achieving an overall impact of providing more accessible and affordable credit to small businesses:

S/No	Reform Initiative	Expected Outcome
1.	Urge banks to utilise the National Collateral Registry.	Registration of three hundred (300) Microfinance Banks on the National Collateral Registry.

REMARK

The successive launch of the NAP 1.0 to 3.0 and the successful implementation of the earlier two NAPs are a clear indication of the current administration’s determination to reform the country’s business climate and improve Nigeria’s global economic competitiveness.

The gains of the implementation of NAP 1.0, which was implemented between February 21 to April 21, 2017 and NAP 2.0, which ran from October 3 to December 1, 2017 are clearly evident in the country’s legal and regulatory environment for doing business. The reforms moved Nigeria up twenty-four (24) places in the World Bank’s EoDB Index for 2018, upgrading the country from the 169th position it occupied in the 2017 ranking to 145th position in the *2018 Doing Business Report*, as well as earned Nigeria the reputation of being named among the ten (10) most reformed economies in the world in 2017.



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By April 5 of this year when NAP 3.0 would have run its course, it is expected that the business climate in Nigeria would have been further enhanced and the country's position in the global rankings for EoDB and economic competitiveness would also have been improved; if all hands continue to remain on deck as regards implementation of the laudable initiatives of the Federal Government's reform agenda.

The Grey Matter Concept is an initiative of the law firm, Banwo & Ighodalo

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