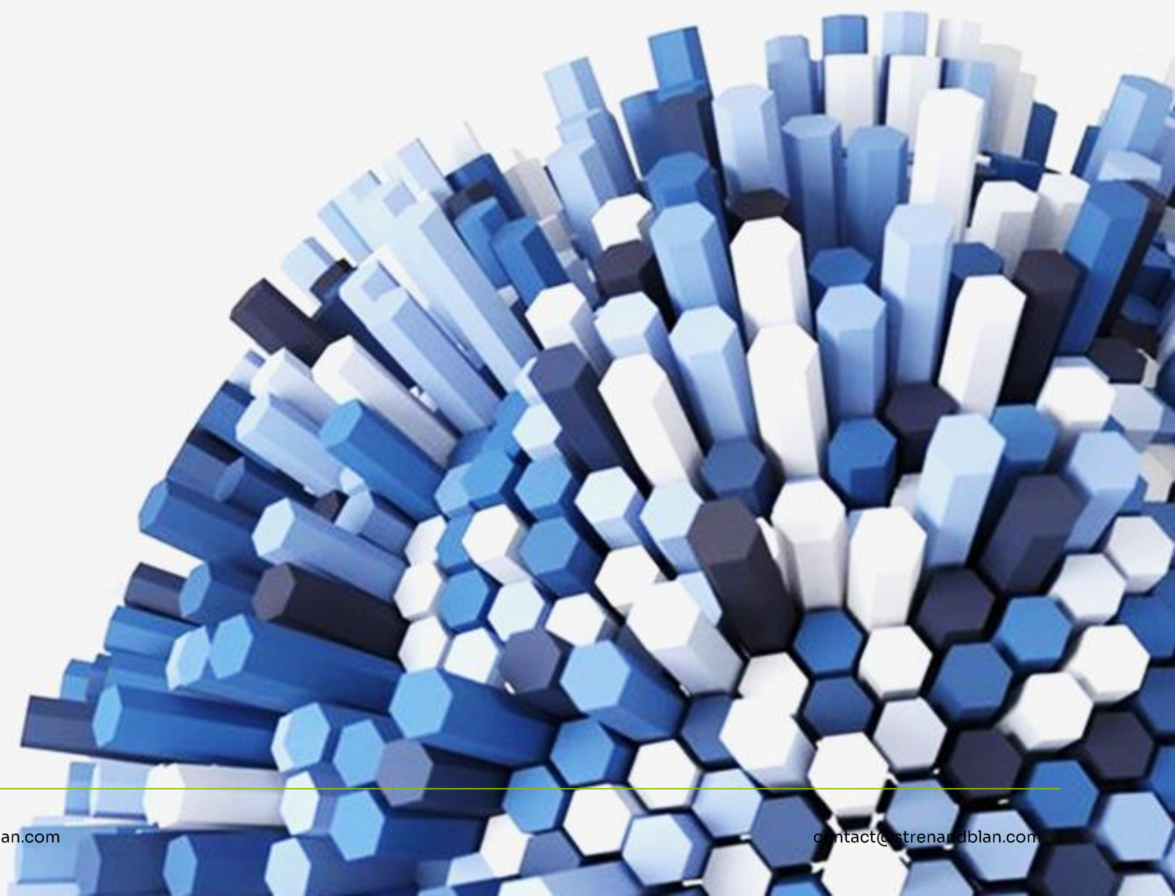
Exploring the 2025 Nigerian Data Protection Act Amendment Bill: Implications for Digital Accountability and Technology Sector Adaptation



Introduction

Social media and major tech platforms X (formerly Twitter), Instagram, and Facebook play a transformative role in global communication, commerce, and culture. In Nigeria, with its rapidly growing digital population, the absence of physical offices for many of these platforms has raised concerns about regulatory oversight, taxation, consumer protection, and local economic participation.

To address this, Senator Ned Munir Nwoko introduced the Nigerian Data Protection Act (Amendment) Bill, 2025 (SB 650) on 21st November 2024, and the Bill has already passed a second reading in the Senate. It seeks to amend the Nigerian Data Protection Act, 2023, by requiring data controllers, data processors, social media platforms, and bloggers to establish and maintain physical offices in Nigeria. This article explores the implications of the Bill and what it means for foreign tech companies operating in Nigeria.

Key Provisions of the Bill and Proposed Amendments to the Nigerian Data Protection Act, 2023.

The proposed Bill introduces key amendments to the Nigeria Data Protection Act, 2023[1], including:

Modification of Section 5 (Functions of the Nigeria Data Protection Commission):

The Nigeria Data Protection Commission would be empowered to compel tech platforms to establish a physical presence in Nigeria. Failure to do so within 30 days could result in a prohibition of their operations.[2]

Revision of Section 65 (Interpretation Clause):

The Bill provides clearer definitions for "Data Controller," "Data Processor," "Blogger," and "Physical Office," to close existing legal loopholes.[3]

Regulation of Bloggers and Digital Content Creators:

Bloggers would be required to maintain verifiable offices in any of Nigeria's capital cities, keep accurate employee records, and register with a recognised bloggers' association headquartered in Abuja.[4]

Current Legal Framework for Foreign Technology Companies in Nigeria

Under the Companies and Allied Matters Act (CAMA) 2020, foreign businesses must typically incorporate a local entity to operate in Nigeria. In addition:

1. The Significant Economic Presence (SEP) Order, 2020 imposes tax obligations on digital service providers who cross certain revenue thresholds from Nigerian users.[5]
2. National Information Technology Development Agency's (NITDA) 2022 Code of Practice mandates tech platforms to register with the Corporate Affairs Commission, appoint a local representative, and comply with local tax and content moderation laws.[6]

While some companies (e.g., Meta) have complied, many still operate without a formal presence, leading to enforcement gaps that the current Bill aims to close.

Potential Benefits of the Bill:

- **Improved Legal Enforcement:** A local presence enhances regulatory control and swift enforcement of Nigerian laws.
- **Job Creation:** Establishing offices will generate employment in compliance, marketing, legal services, and customer support.
- **Localised Moderation:** Platforms will better understand local norms, leading to improved content moderation and user experience.
- **Tax Compliance:** Local offices make it easier to enforce tax obligations, boosting national revenue.
- **Capacity Building:** Working with local talent helps transfer skills and grow Nigeria's digital workforce.

Key Concerns and Challenges:

- **Cost & Operational Burden:** Requiring offices may deter new market entrants or strain SMEs and startups.
- **Access Limitations:** Some Nigerians may lose access to global platforms unwilling to comply.
- **Cybersecurity Risks:** Users may resort to VPNs to bypass restrictions, introducing new risks.
- **Regulatory Overreach:** Bloggers and small content creators may face stifling compliance requirements.
- **Enforcement Gaps:** Without adequate institutional capacity, enforcement may remain inconsistent.

Recommendations for the Proposed Amendments

To mitigate these challenges, the Bill could introduce a tiered compliance regime granting startups and SMEs a transitional grace period of at least twelve months before full office establishment requirements kick in, alongside targeted capacity-building grants and streamlined registration procedures. Also, refining definitions of “data controller,” “processor,” and “blogger” will prevent undue burdens on small content creators, while tax incentives or reduced fees for early adopters can encourage prompt compliance. Finally, bolstering inter agency collaboration and clear, transparent enforcement guidelines will help close gaps without over extending regulatory reach.

What Tech Companies Should Do Now

To effectively navigate the proposed amendments, foreign tech companies operating in Nigeria should take the following key steps:

Before the Bill Becomes Law

Track Legislative Developments Proactively: Maintain up-to-date awareness of the Bill's progress through credible legislative tracking platforms. Engage experienced local legal counsel and participate in relevant industry coalitions to stay ahead of potential regulatory shifts.

Conduct Comprehensive Compliance Reviews: Evaluate your organisation's current operational and legal footprint in Nigeria, with a specific focus on obligations under the Companies and Allied Matters Act (CAMA), the Significant Economic Presence (SEP) Order, and the NITDA Code of Practice. Identify compliance gaps and potential legal exposure.

Engagement of Professional Experts for Compliance: Strengthen your strategic position by proactively engaging legal professionals and data protection experts to gain a clear understanding of the implications of the proposed amendment. This approach will ensure maximum compliance once the Bill is enacted, facilitate a smoother transition, and enhance your organisation's ability to influence the development of practical implementation guidelines..

Phased Implementation: Gradual rollout, especially for small creators and foreign startups, will encourage voluntary compliance.

If the Bill Becomes Law

Establish a Local Presence: Comply with the 30-day requirement by setting up a registered office in Nigeria. This includes securing physical premises, hiring essential personnel, and completing all regulatory filings with the Corporate Affairs Commission and other relevant bodies.

Register with Relevant Tax Authorities: Comply with the Companies Income Tax (Significant Economic Presence) Order and other tax obligations by registering with the Federal Inland Revenue Service (FIRS) and filing necessary tax documentation.

Appoint a Data Protection Compliance Officer (DPCO): Designate a qualified local DPCO to oversee adherence to Nigeria's data protection framework. The DPCO should ensure that all data processing activities align with the Nigerian Data Protection Act and relevant regulatory guidelines.

Localise Content Governance Policies: Review and adjust content moderation policies to reflect Nigeria's legal requirements, cultural sensitivities, and societal expectations, ensuring a responsible and compliant user experience.

Conclusion

In conclusion, the Bill marks a significant effort to enhance regulatory oversight and promote economic growth within Nigeria's digital ecosystem, however, careful implementation is needed to balance regulatory objectives with a vibrant digital environment. For tech companies, early engagement, legal preparedness, and proactive localisation will be key to navigating this evolving regulatory landscape. This is not just about compliance, it is about building trust, growing markets, and investing in Nigeria’s digital future.

Endnote

1. Nigeria Data Protection Act 2023, https://placng.org/i/wp-content/uploads/2023/06/Nigeria-Data-Protection-Act-2023.pdf .

2. https://nairametrics.com/2024/11/21/senate-advances-bill-mandating-social-media-platforms-to-establish-physical-offices-in-nigeria/? " Senate advances bill mandating social media platforms to establish physical offices in Nigeria" Accessed on 24th of March 2025.

3. https://nannews.ng/2024/11/21/why-i-sponsored-data-protection-act-amendment-nwoko/ Accessed 31st March 2025.

4. https://www.vanguardngr.com/2025/03/bill-mandating-facebook-bloggers-others-to-have-offices-in-nigeria-passes-2nd-reading-in-senate/? "Bill mandating Facebook, bloggers, others to have offices in Nigeria passes 2nd reading in Senate" Accessed on 24th of March 2025.

5. https://pwcnigeria.typepad.com/files/pwc-tax-alert_significant-economic-presence-order_may2020-1.pdf "Nigeria Issues Significant Economic Presence Order" Accessed on 24th March 2025.

6. NITDA Code Of Practice for Interactive Computer Service Platforms/Internet Intermediaries: https://nitda.gov.ng/wp-content/uploads/2022/10/APPROVED-NITDA-CODE-OF-PRACTIVE-FOR-INTERACTIVE-COMPUTER-SERVICE-PLATFORMS-INTERNET-INTERMEDIARIES-2022-002.pdf

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