



# From Discovery to Enforcement: Recovering Digital Fraud Proceeds Through Nigeria's Legal System

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# Introduction

Cross-border digital fraud, encompassing cryptocurrency theft, business email compromise, wire fraud and romance scams, has evolved into a sophisticated global phenomenon. For victims and their legal advisers, the immediate question following discovery is whether meaningful recovery is achievable, and if so, how.

Nigeria, as both a significant origination point for certain fraud typologies and an increasingly important recovery jurisdiction, presents a unique legal landscape that international practitioners must understand.

This guide provides international practitioners, litigation funders and in-house counsel with a practical roadmap for navigating Nigeria's courts in digital fraud matters. The Nigerian legal system offers robust mechanisms for asset tracing, preservation and recovery, though these tools require careful deployment by practitioners familiar with local procedural nuances.

# The Legislative Framework

Nigeria has developed a comprehensive legislative architecture addressing digital fraud and asset recovery.

The principal statutes that international practitioners should be aware of include the following.

**The Cybercrimes (Prohibition, Prevention, etc.) Act 2015**, as amended in 2024, is the primary legislation criminalising computer-related fraud in Nigeria. The Act addresses computer fraud, system interference, identity theft, phishing and unauthorised access to computer systems. Significantly, Section 44 provides for the forfeiture of assets connected to cybercrime offences, whilst Part VI establishes procedures for arrest, search, seizure and prosecution. The 2024 Amendment strengthened penalties, with offences such as hacking and identity theft now carrying prison terms of up to ten years.

**The Economic and Financial Crimes Commission (Establishment) Act 2004** established the EFCC as Nigeria's principal agency for the enforcement of economic and financial crimes laws. Under Section 7, the EFCC possesses broad investigative powers, including the authority to trace and attach assets of persons arrested for offences under the Act. Section 29 empowers the Commission to apply to court for interim forfeiture orders where assets are reasonably suspected to be proceeds of unlawful activity.

**The Advance Fee Fraud and Other Fraud Related Offences Act 2006** is particularly significant for international practitioners as it provides for non-conviction-based asset forfeiture under Section 17. Where property is reasonably suspected to be proceeds of unlawful activity, the High Court may order forfeiture to the Federal Government upon application, even in the absence of criminal conviction. This provision has been upheld by the Supreme Court in *Jonathan v FRN*, which characterised the procedure as an *in rem* action based on the legal fiction that the property, rather than the owner, has contravened the law.<sup>1</sup>

**Proceeds of Crime (Recovery and Management) Act 2022** was enacted to provide a comprehensive framework for the seizure, confiscation, forfeiture, and management of properties reasonably suspected to have been derived from unlawful activities, thereby reinforcing Nigeria's asset recovery regime. Of particular importance is Part IV, which preserves and expands Non-Conviction Based recovery, allowing the relevant organizations to obtain preservation and forfeiture orders against tainted assets without first securing a criminal conviction.

**The Money Laundering (Prevention and Prohibition) Act 2022** replaced the 2011 legislation and imposes obligations on financial institutions to report suspicious transactions. Section 7 empowers courts to grant interim post-no-debit orders in cases involving suspected money laundering, providing a valuable tool for rapid asset preservation.

**The Evidence Act 2011** was enacted to accommodate the realities of electronic commerce. Section 84 governs the admissibility of computer-generated evidence, establishing conditions that must be satisfied for electronic documents to be received in evidence. The Supreme Court in *Kubor v Dickson*<sup>2</sup> confirmed that parties seeking to tender computer-generated documents must call evidence establishing compliance with Section 84(2), including that the computer was operating properly during the relevant period and that information was supplied in the ordinary course of activities.



# Jurisdiction and the Appropriate Forum

The Federal High Court possesses jurisdiction over matters arising from economic and financial crimes by virtue of Section 251 of the 1999 Constitution, as interpreted by the Supreme Court. Specifically, the Federal High Court has jurisdiction over offences under the Cybercrimes Act, the EFCC Act, the Advance Fee Fraud Act and the Money Laundering Act. Civil actions connected to these matters, including applications for freezing orders, asset tracing and forfeiture proceedings, fall within the Federal High Court's purview.

State High Courts and the High Court of the Federal Capital Territory retain concurrent jurisdiction over certain fraud-related matters, particularly where the subject matter does not fall within the exclusive jurisdiction of the Federal High Court. The choice of forum may have practical implications for the speed of proceedings and the availability of specialist judges.

For matters involving cryptocurrency and digital assets, the Securities and Exchange Commission (SEC) now exercises regulatory oversight following the enactment of the Investments and Securities Act 2025, which classifies digital assets as securities.<sup>6</sup>

The SEC's Digital Asset Rules and VASP Guidelines establish a framework for the licensing and supervision of virtual asset service providers, and the Central Bank of Nigeria (CBN) also circulated its Guidelines on Operations of Bank Accounts For Virtual Assets Service Provider to all Banks and Other Financial Institutions creating additional avenues for engagement where regulated entities are implicated in fraud or money laundering.



# Asset Preservation: Freezing Orders and Interim Remedies

The preservation of assets pending the determination of substantive proceedings is critical in digital fraud matters, where the ease of electronic fund transfers means that proceeds can be dissipated within hours of discovery.

Nigerian law provides several mechanisms for emergency asset preservation.

## Mareva Injunctions

The Mareva injunction, known in Nigeria as a freezing order, was legitimised by the Supreme Court in *Sotuminu v Ocean Steamship (Nig) Ltd.*<sup>4</sup> Justice Nnaemeka-Agu JSC articulated the conditions for grant, which were subsequently confirmed by the Court of Appeal in *Haladu v Access Bank*.<sup>4</sup> An applicant must establish: (i) a good arguable case against the defendant that is justiciable in Nigeria; (ii) a real and imminent risk that the defendant will remove or dissipate assets from the jurisdiction, thereby rendering nugatory any judgment obtained;

(iii) full disclosure of all material facts relating to the application; (iv) full particulars of assets within the jurisdiction; (v) that the balance of convenience favours the grant; and (vi) preparedness to give an undertaking as to damages.

Applications are typically made *ex parte* in the first instance to preserve the element of surprise. The Court of Appeal has emphasised that 'solid evidence' is required, and courts will scrutinise applications carefully given the potentially draconian effect on the respondent's ability to conduct business.

## Statutory Forfeiture Mechanisms

Where law enforcement agencies are engaged, the EFCC may apply for interim forfeiture orders under Section 29 of the EFCC Act. The procedure involves an *ex parte* application to the Federal High Court, supported by evidence establishing a *prima facie* case that the property is liable to forfeiture. Upon satisfaction of this threshold, the court grants an interim order forfeiting the property to the Federal Government. The affected party is then served and given opportunity to show cause why the order should not be made final.

Section 17 of the Advance Fee Fraud Act provides a parallel mechanism for non-conviction-based forfeiture. The procedure has been extensively litigated, with the courts consistently upholding its constitutionality notwithstanding challenges based on the presumption of innocence. The Court of Appeal in *Jonathan v FRN* held that the constitutional protection against deprivation of property expressly contemplates forfeiture by civil or criminal proceedings.

Part IV of the Proceeds of Crime Act, provides a comprehensive framework for Non-Conviction Based recovery of the proceeds of crime, empowering courts to grant preservation and forfeiture orders over properties reasonably suspected to have been derived from unlawful activities without the prerequisite of a criminal conviction.

## Administrative Holds

Nigerian banks and financial institutions may place administrative post-no-debit orders on accounts suspected of receiving fraudulent

proceeds. This has been established in the case of (CA/EK/48/2024) *Kuda Microfinance Bank Ltd v. Amarachi Kenneth Blessing*. This informal mechanism, facilitated by inter-bank communication and the CBN's Anti-Money Laundering Regulations, provides immediate but temporary preservation pending formal court orders.

International practitioners should be aware that banks typically lift administrative holds within 48 to 72 hours absent court orders, making urgent formal applications essential.



# The Investigative Phase: Working With Nigerian Authorities

Successful recovery in digital fraud matters frequently requires coordination with Nigerian law enforcement. The EFCC is the principal agency for economic crimes, whilst the Nigeria Police Force maintains a National Cybercrime Centre (NPF-NCCC) dedicated to cyber-enabled offences.

International practitioners should understand that Nigerian authorities can be effective partners where cases are properly presented. Formal complaints should include comprehensive documentary evidence, blockchain analysis reports where cryptocurrency is involved, banking records establishing the flow of funds and witness statements. The EFCC in particular has developed significant capacity in asset tracing and has secured substantial recoveries in recent years.

Private investigation and forensic services complement law enforcement engagement. Nigerian law permits private parties to conduct investigations within certain parameters, and specialist firms can assist with blockchain tracing, social media intelligence and the identification of beneficiaries behind nominee accounts.

# Mutual Legal Assistance and International Cooperation

Nigeria has developed a framework for international cooperation in criminal matters that international practitioners can leverage for cross-border recovery.

The United States-Nigeria Mutual Legal Assistance Treaty, which entered into force in January 2003, provides a formal mechanism for cooperation between the two countries in criminal investigations and proceedings. The Treaty facilitates the exchange of evidence and information, including banking and financial records. Requests are transmitted through the designated Central Authorities, being the Attorney General's Office in Nigeria and the Department of Justice in the United States.

Nigeria is a party to the Budapest Convention on Cybercrime, providing an additional framework for international cooperation in computer-related offences. The Convention facilitates the expedited preservation of stored computer data and real-time collection of traffic data across borders.



The United Nations Convention against Transnational Organized Crime (Palermo Convention) and the United Nations Convention against Corruption provide further bases for mutual legal assistance where Nigeria lacks bilateral treaties with the requesting state. Article 18 of the Palermo Convention, in particular, has been relied upon in Nigerian proceedings involving restraint orders made in foreign jurisdictions.

On 25 October 2025, Nigeria became a signatory to the United Nations Convention against Cybercrime, formally titled “Strengthening International Cooperation for Combating Certain Crimes Committed by Means of Information and Communications Technology Systems and for the Sharing of Evidence in Electronic Form of Serious Crimes.”

The treaty, adopted by the UN General Assembly and opened for signature in 2025, establishes a comprehensive legal framework aimed at enhancing cross-border cooperation, mutual legal assistance, and information sharing to effectively address cybercrime and other serious offences committed through digital systems.

In 2023, the Economic and Financial Crimes Commission (EFCC) of Nigeria and Ghana's Economic and Organised Crime Office (EOCO) executed a Memorandum of Understanding (MoU) to strengthen collaboration in combating transborder economic and financial crimes, with particular emphasis on cybercrime.<sup>5</sup>

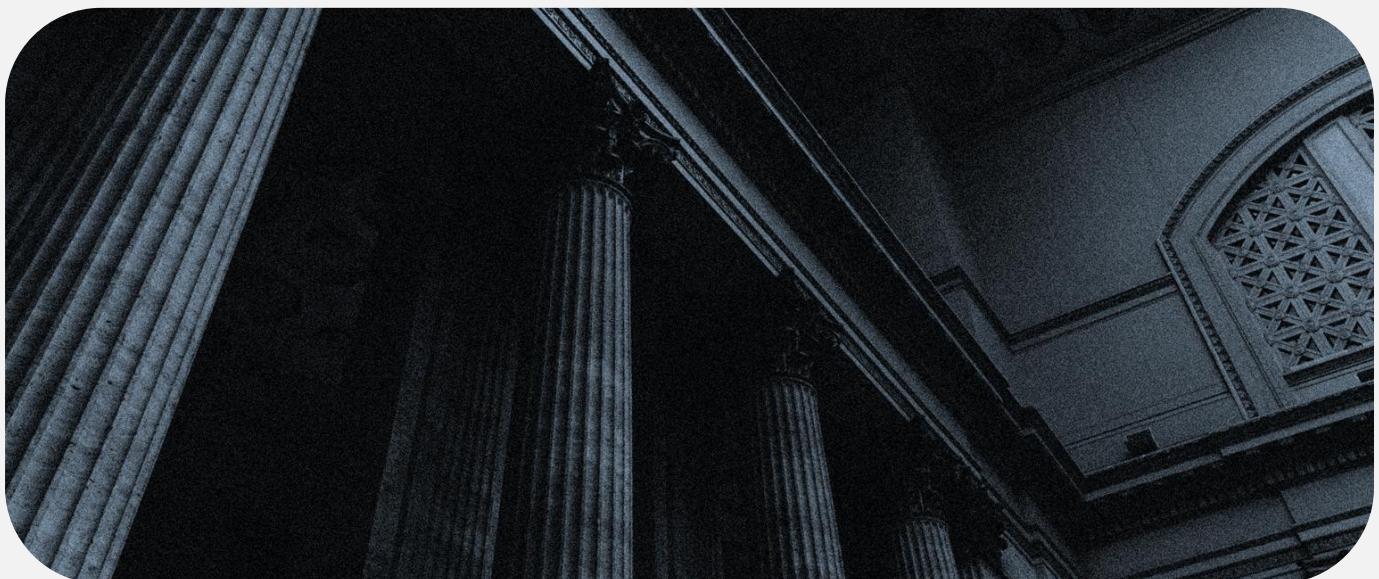
For jurisdictions without treaty arrangements, the Cybercrimes Act provides for international cooperation under Part VII, including provisions for extradition, evidence sharing pursuant to foreign requests and expedited preservation of computer data.

# Civil Recovery Proceedings

Parallel to criminal proceedings, victims may pursue civil recovery actions. Civil claims for money had and received, breach of fiduciary duty, knowing receipt of trust property and constructive trust are all recognised causes of action under Nigerian law. The limitation period for fraud-based claims is generally six years from when the cause of action accrued, though the period may be extended where fraud concealment is established.

The Federal High Court (Civil Procedure) Rules 2019 govern proceedings, with provision for summary judgment under Order 11 where the defendant has no defence. The undefended list procedure provides an expedited route to judgment where the claim is for a liquidated sum and the defendant fails to give notice of intention to defend.

Norwich Pharmacal orders, whilst not expressly codified in Nigerian procedural rules, are available under the court's inherent jurisdiction. Such orders compel third parties, such as banks and telecommunications providers, to disclose information necessary for the identification of wrongdoers or the tracing of assets. Courts have granted such relief in appropriate cases, particularly where the applicant establishes that the information cannot be obtained through other means.



# Insolvency Proceedings

Insolvency proceedings remain an underutilized yet potent mechanism for the recovery of assets dissipated through fraud. Beyond their traditional function of addressing financial distress, these proceedings provide structured tools for tracing, freezing, and reclaiming misappropriated assets, while enabling court-appointed insolvency

practitioners to investigate antecedent transactions and swiftly gain access and control over assets that are proceeds of crime held in corporate structures.

Under Section 571 of the Companies and Allied Matters Act, one of the circumstances in which the Federal High Court may wind up a company is where the court is of the opinion that it is just and equitable that a company should be wound up.



# Cryptocurrency and Digital Asset Recovery

The recovery of cryptocurrency presents particular challenges and opportunities. The Investments and Securities Act 2025 now classifies digital assets as securities, bringing cryptocurrency exchanges and virtual asset service providers within the SEC's regulatory framework. Licensed VASPs are subject to Know Your Customer and Anti-Money Laundering requirements, creating potential disclosure obligations that assist in tracing.

Nigerian courts have not yet developed extensive jurisprudence on cryptocurrency recovery, but the existing framework provides workable mechanisms. Freezing orders can extend to cryptocurrency held on Nigerian-based exchanges, and the EFCC has successfully obtained court orders freezing accounts on international platforms such as Binance where Nigerian nationals are implicated. In September 2024, the EFCC secured court orders freezing 22 bank accounts belonging to USDT sellers, demonstrating the willingness of Nigerian courts to engage with cryptocurrency-related matters.

International practitioners should note that whilst the Central Bank of Nigeria previously prohibited banks from facilitating cryptocurrency transactions, this position was reversed in December 2023. Banks may now provide services to SEC-licensed VASPs, potentially simplifying the conversion of recovered cryptocurrency to fiat currency.



# Enforcement of Foreign Judgments

Where international practitioners have obtained judgments in foreign courts against Nigerian defendants or in respect of Nigerian assets, the question of enforcement arises. Nigeria's framework for enforcement of foreign judgments is governed by the Reciprocal Enforcement of Judgments Ordinance 1922 and the Foreign Judgments (Reciprocal Enforcement) Act 1961.

The 1922 Ordinance applies to judgments from the United Kingdom, certain Commonwealth countries including Ghana, Sierra Leone and Jamaica, and permits registration within twelve months of judgment. Once registered, the foreign judgment has the same force as a Nigerian judgment and may be enforced through the usual execution procedures.

For judgments from jurisdictions not covered by the Ordinance, including the United States, enforcement proceeds at common law by instituting a fresh action with the foreign judgment as the cause of action. The foreign judgment operates as a debt creating a new cause of action, and the judgment creditor may apply for summary judgment on the basis that the debtor has no defence. Courts will refuse enforcement where the foreign court lacked jurisdiction, the judgment was obtained by fraud, or enforcement would be contrary to public policy.

It should be noted that Nigeria is not party to any international convention on the recognition and enforcement of foreign judgments, though the Minister of Justice retains power under Section 3 of the 1961 Act to extend reciprocal arrangements to countries that accord similar treatment to Nigerian judgments.



# Practical Considerations for International Practitioners

Several practical matters warrant attention from international practitioners contemplating recovery through Nigeria.

Speed is essential. Digital fraud proceeds can be dissipated within hours. International practitioners should have Nigerian counsel on standby before discovery of fraud is announced to the fraudster, enabling immediate applications for freezing relief.

Evidence preservation is critical. The admissibility requirements under Section 84 of the Evidence Act mean that electronic evidence must be carefully preserved and authenticated. Blockchain analysis reports, server logs and email metadata should be captured contemporaneously with proper chain of custody documentation.

Engagement with law enforcement adds leverage. Criminal proceedings create pressure for settlement and provide access to compulsory evidence-gathering powers unavailable in civil litigation. The threat of prosecution and asset forfeiture frequently motivates wrongdoers or their associates to negotiate.

Local counsel is indispensable. Nigerian procedural requirements differ significantly from common law norms in other jurisdictions. Applications for interim relief require careful drafting to meet judicially developed standards, and court appearances require practitioners enrolled at the Nigerian Bar.

Realistic expectations are necessary. Nigerian court proceedings can be protracted, and enforcement against individual fraudsters who have spent the proceeds presents obvious challenges. However, where assets remain traceable, whether in bank accounts, real property or cryptocurrency wallets, the Nigerian system provides effective recovery mechanisms.



## Conclusion

Nigeria's legal framework for digital fraud recovery is more sophisticated than international practitioners may assume.

The country has developed comprehensive legislation addressing cybercrime, money laundering and asset recovery, supported by courts that have demonstrated willingness to grant robust interim relief and final forfeiture orders. The existence of the US-Nigeria MLAT, adherence to the Budapest Convention, and the EFCC's growing capacity in asset tracing create genuine opportunities for cross-border recovery.

The recent regularisation of cryptocurrency under SEC oversight further expands the toolkit available to international practitioners pursuing digital asset fraud. Successful recovery requires prompt action, careful evidence preservation, strategic engagement with Nigerian authorities and skilled local counsel. Where these elements align, Nigeria should be regarded as a jurisdiction where meaningful recovery is achievable.

# Disclaimer

This article is provided for informational purposes only and does not constitute legal advice. The application of Nigerian law to specific circumstances requires consultation with qualified Nigerian counsel. Laws and procedures may practitioners pursuing digital asset fraud.

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# Endnotes

1. Dame Patience Jonathan v. F.R.N. (2019) 10 NWLR (Pt. 1681) 533
2. Kubor v. Dickson (2013) 4 NWLR (Pt. 1345)
3. Sotuminu vs Ocean Steamship (Nig) Ltd (1992) 5 NWLR (Pt. 239) 1
4. Haladu v Access Bank (2021) 13 NWLR (Pt. 1794) 434
5. The Guardian (June 2023) “Nigeria, Ghana sign MoU to combat transborder organized crimes” available at <https://guardian.ng/news/nigeria-ghana-sign-mou-to-combat-transborder-organized-crimes/>
6. Section 357 of the Investment and Securities Act, 2025

# About Stren & Blan Partners

Stren & Blan Partners is a leading Nigerian commercial law firm with dedicated practices in Asset Recovery, Fraud Investigation & Enforcement, and Financial Services.

Our team has extensive experience representing international clients in cross-border fraud matters and works closely with law enforcement agencies, regulatory bodies and international counsel to achieve effective recoveries.

For enquiries regarding digital fraud recovery or asset tracing in Nigeria, please contact our Asset Recovery and Fraud Investigation team.

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