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LABOUR & EMPLOYMENT

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Introduction

The first half of 2025 has been driven by judicial developments, legislative initiatives, and evolving regulatory standards. The National Industrial Court has issued landmark decisions on redundancy, wrongful termination, constructive dismissal, and disciplinary procedures in labour and employment relations, highlighting the continued evolution of Nigerian labour jurisprudence.

A wave of reform bills, such as the Labour Standards Bill, the Collective Labour Relations Bill, and the Domestic Workers Protection Bill signals a deliberate and clear shift by the government towards modernising Nigeria's labour legal framework and aligning it with international standards. Similarly, regulatory developments such as the suspended implementation of the Expatriate Employment Levy (EEL) and the emerging regulation on digital and remote work reflect the evolving dynamics of the modern workplace.

At the international level, recent International Labour Organization (ILO) conventions on biological hazards and proposed protections for platform economy workers highlight a continued global focus on improving workplace conditions and standards.

This edition of the newsletter provides a curated overview of key legal trends, landmark decisions, and upcoming reforms, along with scholarly contributions, serving as a valuable resource for legal practitioners, human resources managers, professionals, policymakers, and scholars navigating today's evolving labour landscape.



Regulatory Updates



This section highlights recent developments in labour and employment regulations within Nigeria and internationally. These updates reflect evolving workplace norms, digital transformation, global labour mobility, and an increased focus on worker protection, employer accountability, and economic resilience.

Nigerian Regulatory Updates

Federal Remote Work Initiative: Strategic Expansion of Nigeria's Digital Labour Footprint:¹ On March 11, 2025, the Nigerian Minister of Budget and Economic Planning announced a strategic partnership with several foreign governments to facilitate remote employment opportunities for Nigerian youth. This initiative reflects a forward-looking policy aimed at integrating Nigeria's growing digital workforce into the global economy. By improving access to international job markets, it is expected to reduce youth unemployment, foster digital skills, and promote foreign income inflows. The policy also aligns with global trends in cross-border telework and could catalyse further reforms in labour mobility and digital infrastructure.

The Nigerian Labour Law Modernisation: Amendment of the Nigerian Labour Act: Ongoing legislative efforts are underway to reform the Nigerian Labour Act in line with contemporary labour practices and international standards. The proposed amendments aim to address gaps in areas such as employment classification, protection for non-traditional workers (e.g., gig and remote workers), and dispute resolution mechanisms. This reform is essential to ensure Nigeria's labour laws reflect the realities of today's dynamic work environment and to boost investor confidence in the regulatory framework.

¹ See Federal Ministry of Finance, Budget, and National Planning, "National Development Plan (NDP) 2021-2025"

International Labour Regulatory Updates

ILO Convention on Biological Hazards: At the 113th session of the International Labour Conference (ILC), the International Labour Organization (ILO) adopted a groundbreaking **Convention on Biological Hazards in the Working Environment**. This new instrument establishes minimum global standards for managing biological risks, with a particular emphasis on high-risk sectors, including healthcare, biotechnology, and agriculture. Key provisions include mandatory workplace risk assessments, training programs to prevent exposure, and employer responsibilities for hazard control. The Convention is expected to significantly strengthen global worker protections, particularly following the lessons learned from the COVID-19 pandemic.

ILO discussions on Platform Economy Standards: During the 2025 International Labour Organization (ILO) Conference, member states initiated formal discussions on establishing international standards for decent work in the platform (gig) economy. This marks a critical step toward the proposed ILO Convention, which is expected by 2026. Areas under deliberation include fair remuneration, working time regulation, social protection coverage, and algorithmic transparency. These discussions reflect increasing global concern over the precarious conditions faced by gig workers and underscore the ILO's commitment to inclusive and equitable labour governance in the digital age.

UK Employment Rights Bill: The UK Employment Rights Bill, introduced in October 2024 and progressing through Parliament in Q1 2025, proposes comprehensive reforms aimed at enhancing job quality and security. Notable provisions include:

- A ban on exploitative zero-hours contracts, ensuring workers have predictable work schedules.
 - Day-one rights for protection against unfair dismissal.
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- A statutory right to request flexible working arrangements from the first day of employment.

The bill is expected to be enacted by mid-2025 and its reforms will position the UK as a leading advocate for worker-friendly labour legislation and may serve as a legislative model for emerging economies, including Nigeria, considering that it (Nigeria) is exploring similar reforms in remote work policy and employment regulation.

Canada Labour Code Amendments:

- ***Bill C-58:*** Effective from June 20, 2025, Bill C-58 amends the Canada Labour Code and related regulations to ban the use of replacement workers during strikes or lockouts in federally regulated sectors, except where necessary to protect public health, safety, or property. Non-compliance may result in fines of up to \$100,000 per day. Furthermore, within 15 days of a notice to bargain, employers and unions must agree on how to maintain essential services during a labour dispute and file the agreement with the Canada Industrial Relations Board and the Minister of Labour.
- ***Bill C-59:*** Bill C-59 introduces leave entitlements for pregnancy loss, bereavement, and child placement in federally regulated workplaces. These provisions are expected to take effect by December 2025 or later, pending the issuance of final regulations. These measures underscore Canada's commitment to work-life balance and emotional well-being in the workplace, aligning with ILO principles on decent work and social protection.



News Updates



Notable Decisions

*MTN Nigeria Communications Ltd & 2 Ors v. Paul Odunewu*²

Paul Odunewu, the respondent, was engaged by MTN Nigeria Communications Ltd (2nd Appellant) under a consultancy/ employment arrangement that evolved over time. He claimed that his contract, initially for a fixed term, was wrongfully terminated before its expiration. He alleged that he was promised participation in MTN's Share Option Scheme and other benefits, which were not honoured. He sued MTN Group (1st Appellant), MTN Nigeria (2nd Appellant), and MTN International (3rd Appellant) at the National Industrial Court (NIC), seeking declaratory reliefs, special and general damages, and compensation for breach of contract and wrongful termination. The NIC found in his favour, awarding substantial damages and holding all three MTN entities jointly liable.

Dissatisfied with the decision of the NIC, MTN Nigeria Communication and others appealed at the Court of Appeal. In a considered decision, Court of Appeal allowed the appeal in part. It held that the NIC erred in granting several of the reliefs, particularly those based on unwritten or implied terms not contained in the written contract (Exhibits PO1 and PO49). The Court emphasised that the employment contract was governed strictly by its written terms, and oral representations or customary practices could not override them. The Court set aside reliefs relating to the Share Option Scheme, bonuses, and other post-termination benefits, finding no documentary evidence to support them. However, it upheld the award of damages for the restraint of trade clause and certain costs, modifying the interest rate on the judgment sum.

The Court reaffirmed key principles of employment and contract law: (1) parties are bound by the express terms of their written agreement; (2) oral or implied terms cannot vary a written contract unless expressly incorporated; and (3) in fixed-term contracts, termination must comply with agreed procedures. The Court also clarified that while labour courts may consider international best practices, such considerations cannot override clear contractual terms. On restraint of trade, the Court upheld the NIC's finding that the clause was unreasonable and contrary to public policy, especially as it imposed punitive conditions on the respondent. The judgment underscores the balance between contractual sanctity and equitable treatment in employment relationships.

² (2025) LPELR-80270(CA)

Mr. John Osajele v. Zenith Bank Plc³

Mr. John Osajele, a former senior manager and branch head at Zenith Bank, sued the bank alleging wrongful dismissal, non-payment of salaries and entitlements during his prolonged suspension, and failure to issue share certificates and dividends on bank shares he claimed to have purchased. He asserted that his suspension, which lasted over three years, and eventual dismissal in May 2019 were both punitive and without fair hearing. The suspension stemmed from a customer's default on loans he helped facilitate, and Osajele claimed he was never afforded an opportunity to adequately defend himself during the disciplinary process, despite making efforts to recover the loans.

The court examined the legality of the suspension and dismissal. While it upheld the employer's right to suspend an employee without pay—based on the terms of the Defendant's Employee Handbook—it held that the Defendant failed to justify the dismissal. Although the bank alleged the Claimant colluded with a customer to divert funds, it failed to provide credible or detailed evidence proving misconduct or breach of policy on the Claimant's part. Consequently, the court found that the dismissal was wrongful, though the suspension itself was valid under the agreed conditions of service.

Based on its findings, the court declared that Mr. Osajele's dismissal was wrongful and awarded him one month's salary in lieu of notice. However, all other reliefs sought—including claims for unpaid salaries, allowances, dividends, and share certificates—were dismissed for lack of supporting evidence and because the court lacked jurisdiction over securities-related claims. The court declined to award general damages or costs. In sum, the judgment reinforced the employer's right to discipline within contractual terms but held that where dismissal is alleged to be for misconduct, the employer bears the burden of proof.

3 Suit No: NICN/LA/630/2019 (Unreported)

Mr Olurotimi Odusote & 7 Ors v Patroleo Brasileiro Nig Ltd & Anor⁴

The claimant's sued the Defendants for an alleged departure from the terms of collective bargaining agreement. In its defense, the Defendant's held that they were not parts of the collective bargaining as they were neither signatories to it nor their contract of employment infers to same. The Defence also claimed that the suit was statute barred.

The National Industrial Court of Nigeria (NICN) took a step further in clarifying the applicability of statute of limitations to contract of service. Following the decision of the Supreme Court in **Idachaba v University of Agriculture, Makurdi**⁵ and the subsequent application of the decision by the NICN in **Muhammed Sani Umar v NNPC Ltd**,⁶ the Court held that statute of limitations will apply to contracts of employment.

The Court also delivered one of the few decisions on redundancy issues, where it held that to be a beneficiary of a collective bargain agreement (CBA), an employee must be a signatory to such an agreement. And where no provision for such agreements exists in the contract of employment, the employee cannot take benefit of CBA.

Akpasen Ekong Akpan v ECM Terminals Ltd⁷

The claimant claimed that he was wrongfully dismissed, having been charged with allegations of misconduct and terminated on that basis without a fair investigation or a fair hearing.

In its judgment delivered on June 24, 2025, the NICN (Calabar Judicial Division), held that the termination of the claimant's employment by ECM Terminals Limited, the defendant, was wrongful. The Court found that the defendant failed to comply with its own Employee Policy Manual (the manual), particularly the procedural safeguards on fair hearing and disciplinary action. The purported disciplinary hearing conducted through a teleconference failed to meet the standard of a proper disciplinary process: the claimant was not duly informed of

4 (Unreported) Suit No: NICN/LA/211/2023

5 (2021) LPELR- 53081(SC)

6 (2025) Unreported SUIT NO: NICN/ABJ/55/202

7 (Unreported) Suit No: NICN/CA/52/2023

the allegations against him; he was not allowed to prepare or defend himself adequately; and the composition of the disciplinary committee did not comply with the manual.

The Court emphasised that even though an employer may terminate an employee's employment for any reason or no reason, once a reason is given, as was the case here (for poor cultural fit and negative remarks), the employer has the burden of proving the misconduct. ECM Terminals failed to establish that the claimant's actions amounted to gross misconduct as defined in its policy manual. The claimant had not been given prior written warnings or queries, and there was no credible evidence to substantiate the alleged misconduct.

Consequently, the Court declared the claimant's employment termination as wrongful and awarded damages. Although the Court declined to reinstate the claimant, it granted monetary compensation in line with evolving judicial standards that favour substantial justice and protection of employee reputation. The Court condemned the defendant's breach of the claimant's right to fair hearing and held that the manner in which the termination was carried out was vindictive and procedurally defective.

*CSP Sogbade O. Musiliu & 5 Ors v Police Service Commission & 2 Ors*⁸

The claimants were initially in rank-and-file assignments with the Defendants. However, upon joining the cadet, they had another employment term as per the existing policy at that time but failed to resign from their former employment. In calculating their period of retirement, the Defendant put their previous engagements into consideration, thereby reducing their rightful 35 years of service from the date they joined the cadet. The claimant therefor sued the defendant, stating that they still have a subsisting employment with the Defendant.

The NICN, in determining the legality of the claimants' retirement from the Nigeria Police Force (NPF), held that the claimants' appointment as cadet inspectors in 1990 was a fresh appointment and not a continuation of their earlier

8 (Unreported) Suit No: NICN/ABJ/119/2023

service as rank-and-file officers. The Court based its findings on the contents of the claimants' appointment letters, which did not reference any prior service and clearly indicated a new engagement. It further relied on a police policy directive to the effect that where an officer fails to resign before joining the cadet course, such appointment would be deemed to have terminated their previous engagement.

The Court reiterated that administrative directives and policy circulars are binding, where they reflect clear institutional policy and have not been withdrawn. Accordingly, under the policy, the claimants were required to resign, and in default, would be deemed to have resigned once they were appointed as cadet inspectors. As a result, the computation of the claimants' 35 years of service for retirement purposes must commence from 2nd April 1990, the date of their fresh appointments, and not from their earlier enlistment as constables.

By adopting the 1st defendant's more recent directive, which calculates their employment from the time they joined the cadets, the court emphasized the legal principle that where conflicting administrative communications from the same authority exist, the most recent expression of policy prevails, especially where it is not rebutted or challenged by the issuing authority. Consequently, the Court held that the retirement of the claimants, based on their initial appointment dates as constables, was unlawful.

Mr Omene Andy Robinson v Shongai Technologies Ltd & Ors⁹

In this case, the NICN (Ibadan Judicial Division) found that the claimant, a machine operator, had been unlawfully assaulted by his operations manager and subsequently terminated without due process. The Court described the assault as “slavish and vicious punitive measures” and held that it constituted workplace violence and an unfair labour practice. The Court held that indefinite suspension without pay and termination and without notice violated the Labour Act's procedural safeguards, emphasizing that disciplinary actions must be time-bound, justified, and respectful of an employee's right to livelihood.

9 (Unreported) Suit No: NICN/AB/03/2020

The Court's decision reaffirmed the principle of employer's vicarious liability, holding both the company and its manager jointly and severally liable for the assault and wrongful termination. This underscores that employers cannot evade responsibility for abuses carried out by managerial staff acting in their official capacity. Further, the judgment highlighted an essential due process requirements under Nigerian labour law: that employees must receive valid notice and be paid entitlements before termination. Failure to comply with these standards, such as non-payment of salaries or notice entitlements, renders a dismissal unlawful and may result in substantial financial consequences or liabilities, including damages and compensation.

*Mr Dada James v Dee-Pee Global Packaging Ltd*¹⁰

In a judgment delivered on 13 January 2025, the NICN (Ibadan Judicial Division) held that indefinite suspension without pay, as it was the case of the claimant in this case, amounts to an unfair labour practice and constructive dismissal. The Court determined that suspension must be time-bound, properly authorised, and must not deprive employees of their means of livelihood. By placing claimant on indefinite suspension without pay or due process, the defendant effectively repudiated the employment contract, triggering wrongful termination for which the employee deserved redress.

Upholding these principles, the Court awarded the claimant arrears of his salaries and accrued allowances from October 2020 until the judgment date. This case reinforces the position that employers may legitimately suspend employees, but only when it is clearly defined in policy or contract and not used to deprive employees of wages indefinitely. Failure to comply with these standards may result in the employer being found to have wrongfully dismissed an employee with the attendant financial liability/ consequences, in damages for wrongful dismissal likely to follow.

¹⁰ (Unreported) Suit No: NICN/IB/31/2022



Sector News



The Domestic Workers Protection Bill passes Second Reading¹¹

In the first quarter of 2025, the Domestic Workers Protection Bill progressed significantly, passing its second reading in the House of Representatives in March, 2025. The Bill aims to extend full labour rights to domestic workers, including written contracts, minimum wage compliance, regulated working hours, paid leave, overtime remuneration, and access to health insurance and pension. The Bill also addresses abuse prevention and provides legal remedies for exploitation, aligning Nigeria's labour law framework with the International Labour Organization (ILO) Convention (No189.)¹² The Federal Ministry of Labour and Employment along with civil society groups, including women's rights NGOs, supported the Bill, helping to bolster its momentum and swift passage.

The Informal Sector Private Employment Agencies (Regulation) Bill passes second reading¹³

The Bill was introduced in the Senate and passed its second reading in May 2025. It targets private agents operating in the informal labour recruitment space, seeking to license and regulate their activities. The Bill proposes to empower the National Directorate of Employment (NDE) to manage a national database of informal workers, ensure compliance with fair recruitment principles, and prevent exploitative labour practices, often seen in domestic work, security services, and street trading. While widely praised for addressing the informal economy, concerns have been raised regarding regulatory overlap and the potential overreach of outsourcing inspection powers to private consultants.

11 Alao Abiodun, "Hon. Alabi's Bill to Protect Domestic Workers in Nigeria Passes Second Reading," *The Nation*, March 19, 2025.

12 International Labour Organization (ILO) Convention No. 189, "Decent Work for Domestic Workers," adopted on 16 June 2011, entered into force on 5 September 2013.

13 Jerrywright Ukw, "Bill to Regulate Informal Sector Recruitment Passes Second Reading in Senate," *The Cable*, May 22, 2025. <https://www.thecable.ng/bill-to-regulate-informal-sector-recruitment-passes-second-reading-in-senate/>

Advancement in the development of Labour Standards, Collective Labour Relations, and Related Reforms

Three critical bills—the Labour Standards Bill, the Collective Labour Relations Bill, and the Occupational Safety and Health (OSH) Bill—were prioritized in 2025 by the Federal Ministry of Labour and Employment as part of an overarching effort to modernize Nigeria's outdated labour laws after the minister had noted the commitment of the government in ensuring the quick passage of the Bill into law. The Labour Standards Bill seeks to consolidate worker protection and ensure uniform compliance with core ILO conventions. The Collective Labour Relations Bill strengthens the legal framework for trade unions, collective bargaining, and industrial dispute resolution, aiming to foster industrial peace. The OSH Bill modernizes workplace safety standards across all sectors, introducing mandatory safety audits, whistleblower protections, and employer liability mechanisms. Together, these bills reflect a policy shift toward inclusivity, formality, and international compliance in labour governance.



Publications

'Contracts in Restraint of Trade and Confidentiality Clauses: a Review and Analysis of the National Industrial Courts Decision in Halogen Security Company Limited v Mr Nnamdi Meli

This paper discusses the development of the resolution of conflicts arising from contracts on restraint of trade by reviewing the case of Halogen Security Company Limited v Mr Nnamdi Meli. The Court held that restraining clauses must not be too general, i.e., they must be specific as to the geography, persons, period, scope, and terms of their restrictions, else, they risk being declared unenforceable.

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