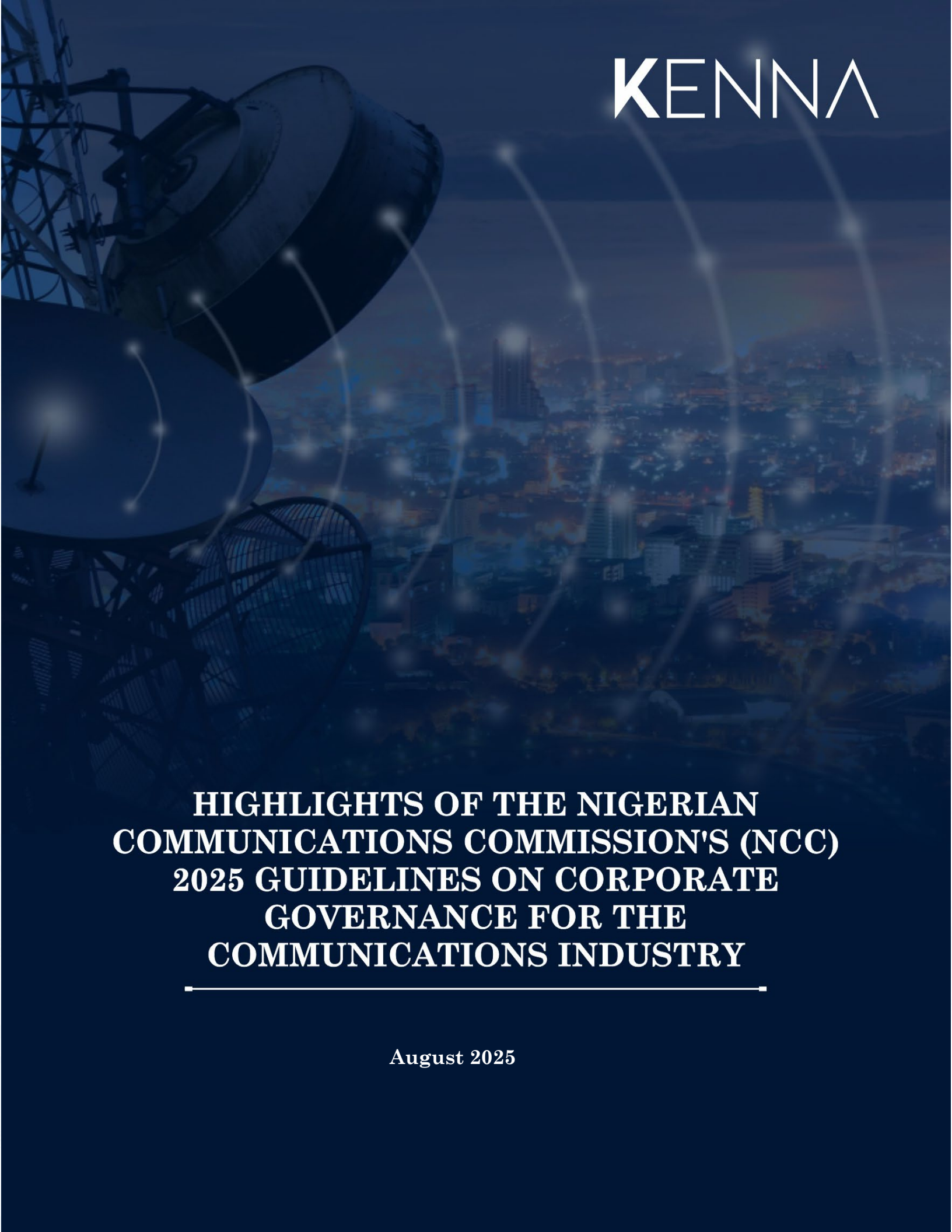




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**HIGHLIGHTS OF THE NIGERIAN
COMMUNICATIONS COMMISSION'S (NCC)
2025 GUIDELINES ON CORPORATE
GOVERNANCE FOR THE
COMMUNICATIONS INDUSTRY**

August 2025

1. Introduction

On August 6, 2025, the Nigerian Communications Commission launched its 2025 Guidelines on Corporate Governance for the communications industry ('NCC Guidelines 2025'). The NCC Guidelines 2025, made pursuant to the powers conferred on the Nigerian Communications Commission ('The Commission' or 'NCC') by Section 70 of the Nigerian Communications Act 2003, are a timely response to evolving corporate governance issues in the communications industry.

The NCC Guidelines 2025 reinforce the framework for transparency, accountability, and ethical conduct within Nigeria's communications sector. They mandate structural reforms within licensees, notably in areas such as board composition, risk management, audit integrity, and corporate value system, among others.

Generally, the NCC Guidelines are designed to promote good corporate governance practices across organisations in the communications industry, while ensuring the industry's sustainability. This piece will highlight the new provisions of the NCC Guidelines and their implications for organisations in the communications Industry.

2. Scope of Application and Enforceability

The NCC Guidelines 2025 apply to all companies operating within Nigeria's communications sector and are particularly mandatory for all individual licensees who are obliged to pay Annual Operating Levies (AOL) to the Commission pursuant to the AOL Regulations of 2022.¹

By virtue of the NCC Guidelines 2025, all licensees are required to apply the principles of the Nigerian Code of Corporate Governance 2018 as the minimum benchmark for corporate governance in the conduct of their

¹ NCC Guidelines, 2025; Section 4 (2), 'Scope'.

operations and are subject to the Apply and Explain philosophy; this means that companies are not only required to comply with the code but must also demonstrate the steps taken to achieve compliance.²

3. Key Matters Arising

i. Board and Directors

The NCC Guidelines 2025 introduced some changes that will affect and enhance the effectiveness of the board of companies in the communications industry, which include:

- a. That the Non-Executive Directors (NEDs) shall at all times, at a minimum, be equal to the number of Executive Directors (EDs) on the board.³ The NCC Guidelines 2025 further provides, in the interest of caution, that the number of NEDs on the board should be greater than the number of EDs on the board.⁴
- b. One laudable addition in the NCC Guidelines 2025 is digital governance. The new provisions of the Guidelines stipulate that each communications company must appoint at least one non-executive director and one independent non-executive director with demonstrable knowledge and experience in information and communication technology (ICT) and/or cybersecurity to its board.⁵ This is to ensure that boards are adequately prepared to handle digital governance and the challenges that come with it.
- c. One-third of the board of companies in the communications industry should be made up of Independent Non-Executive Directors (INEDs).
- d. In contrast to the 2023 Guidelines, which provided a 5-year cooling-off period for the Chairman of the board to be appointed as an

² Aino Asplund, 'Lost in accountability. 'Comply or Explain', 'Apply or Explain', and 'Apply and Explain' in a test: the Barriers to Company benefit? < https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3695010 > accessed August 11, 2025.

³ NCC Guidelines, 2025, Section 7 (3) (b), 'Board Size, Composition and Structure'.

⁴ NCC Guidelines, 2025, Section 7 (1), 'Board Size, Composition and Structure'.

⁵ NCC Guidelines, 2025, Section 7 (4), 'Board Size, Composition and Structure'.

MD/CEO of the company or any of its affiliates, the NCC Guidelines 2025 provide that this cooling-off period is now applicable to all NEDs. Consequently, by virtue of this provision, the Chairman or an NED of the company cannot be appointed as the MD/CEO unless they observe the 5-year cooling-off period.⁶

- e. Previously, the 2023 Guidelines provided that the board must have a separate committee for Audit and Risk management issues. However, the NCC Guidelines 2025, in addition to retaining this provision, have now also included the option for the board to establish a committee that combines both the responsibilities of Audit and Risk Management.⁷
- f. At least one member of the Audit Committee of companies in the communications industry must possess professional qualifications and experience in financial and accounting matters.⁸
- g. Furthermore, the board of licensees should ensure that an independent external consultant carries out an annual board evaluation/ appraisal, and this evaluation report needs to be submitted to the NCC along with the company's annual report.⁹
- h. The board evaluation, which was previously limited to being conducted solely by the external auditor, as contained in the 2023 Guidelines, can now be carried out by the board, engaging an independent external consultant to do so.¹⁰ The NCC Guidelines 2025 also retain the requirement for at least an annual review of a company's whistleblowing policy.
- i. The NCC guidelines 2025 has further emphasized the requirement for an annual board evaluation by an external independent

⁶ NCC Guidelines, 2025, Section 7(9), 'Board Committees':

⁷ NCC Guidelines, 2025, Section 8 (3), 'Board Committees'.

⁸ NCC Guidelines, 2025, Section 8(9)(d), 'Audit Committee'.

⁹ NCC Guidelines, 2025, Section 12 (1) 'Performance evaluation'

¹⁰ NCC Guidelines 2023, Section 12 (1) 'Performance evaluation'

consultant, insistence on functional whistleblowing systems, and the need for the Audit Committee to review the Whistleblowing mechanisms at least once every 12 (Twelve) months further reinforces the need for companies in the communications sector to cultivate a culture of accountability and transparency.¹¹

ii. The Shareholders and Stakeholders

- a. *Shareholder Controlling interest:* The Guidelines prohibit shareholders of companies operating within the communications sector from having a controlling interest in more than one communications company of a similar license category.¹²
- b. *Regulatory Officer:* The NCC Guidelines 2025 have also introduced a mandatory provision for every licensee of the NCC to have a Regulatory Officer.¹³ The Regulatory Officer would be responsible for ensuring that the licensee complies with the provisions of the Nigerian Communications Act and other subsidiary regulations.

iii. Risk Management and Internal Control

Whistleblowing policy and mechanisms

- a. The NCC Guidelines 2025 has introduced concrete mechanisms for the board to implement, such as establishing a confidential reporting process that covers fraud and other risks.¹⁴ reward or safety nets for whistleblowers,¹⁵ Hotlines or email addresses, to facilitate whistleblowing.¹⁶ The purpose of these mechanisms is to aid easy reporting of unethical or illegal practices and enhance accessibility to the Board.

¹¹ NCC Guidelines, 2025, Section 29(2), 'Shareholders and Stakeholders'

¹² NCC Guidelines, 2025, Section 25 (4), 'Shareholders and Stakeholders'.

¹³ NCC Guidelines, 2025, 'Shareholders and Stakeholders'.

¹⁴ NCC Guidelines, 2025, section 29(4)

¹⁵ NCC Guidelines, 2025, section 29(5) 'Whistleblowing Policy and Mechanisms'

¹⁶ NCC Guidelines, 2025, Section 29(1), 'Risk Management and Internal Control'.

- b. It also highlights the approaches that the Board of communications companies can take in encouraging the reporting of unethical and unlawful behaviour by employees. These approaches include developing a code of ethics and establishing a whistle-blowing policy.¹⁷ This policy should be designed to provide every member, including the Chairman and CEO/MD, sufficient latitude to raise concerns about the Board of Directors or the CEO.
- c. An Ethics and Disciplinary Committee is expected to be set up and shall comprise designated senior officers responsible for reviewing reported cases and initiating appropriate action. It shall provide the audit committee with a summary of these reported cases, the cases investigated, the investigation process, and the reports of such investigations.¹⁸

Governance committee

In the 2023 Guidelines, governance of communications companies was grouped under the 'Governance, Remuneration and Nomination Committee' and not a standalone committee.¹⁹ Currently, under the NCC Guidelines 2025, communication companies are expected to establish a dedicated Governance committee, which should be composed exclusively of Non-Executive Directors (NEDs).

Audit Committee

- a. External auditors now have dual reporting obligations and are required to include a report on compliance with the guidelines when submitting the required statutory report.²⁰

¹⁷ NCC Guidelines, 2025, Section 29(3), 'Risk Management and Internal Control'.

¹⁸ NCC Guidelines, 2025, Section 29(9), 'Risk Management and Internal Control'.

¹⁹ NCC Guidelines, 2025, Section 30(1), 'Risk Management and Internal Control'.

²⁰ NCC Guidelines, 2025, Section 31(5), 'Risk Management and Internal Control'.

- b. By virtue of the NCC Guidelines 2025, the Audit Committee's minimum meeting requirement has been reduced from four (4) times a year to two (2) times a year.²¹
- c. The provision in the 2023 Guidelines that requires the Chairman of the Board and the CEO not to serve on the Audit Committee but to attend its meetings was not included in the NCC Guidelines 2025.²² This suggests that the Chairman and CEO are no longer restricted from serving on the Audit Committee.

iv. **Reporting, Transparency, and Disclosure**

- a. There is no longer a specific location where disclosure must be made, unlike the 2023 Guidelines, which stipulated that disclosure should occur at the Company's Annual General Meeting (AGM).²³ As a result, the disclosure requirement is no longer confined solely to the AGM, and communication companies will need to ensure adequate disclosures through other channels, such as meetings and disclosures in the annual report.
- b. *Compliance Report:* The commission now has the discretionary power to require companies in the communications industry to submit clarifications on a Compliance Report and permits the commission to conduct a compliance check on such companies at its discretion.²⁴
- c. Companies are obligated to submit a Mid-Year Compliance Report by July 31st of every year and an Annual Compliance Report by January 31st each year, both certified by the board.²⁵
- d. Additionally, there is also a new requirement for an annual Sustainability and CSR report, including ESG targets and progress

²¹ NCC Guidelines, 2025, Section 31(6), 'Risk Management and Internal Control'.

²² NCC Guidelines, 2023, Section 31(4), 'Risk Management and Internal Control'.

²³ NCC Guidelines, 2023, section 34(1), 'Reporting, Transparency and Disclosure'.

²⁴ NCC Guidelines, 2025, Section 37(5), 'Compliance Report'.

²⁵ NCC Guidelines, 2025, Section 37(3), 'Compliance Report'.

report to be submitted to the commission at the end of every financial year.²⁶

- e. In its compliance report, Companies in the communications sector are expected to state the extent of their compliance with the provisions of the 2025 Guidelines.²⁷

v. Take-off Period

During the official launch event of the NCC Guidelines 2025, held on August 6, 2025, the NCC noted that the implementation of the Guidelines will be phased, depending on the class of licenses granted. In addition, the NCC has noted that the Guidelines will be enforceable after a four-month window of notification of non-compliance by the NCC.

4. Conclusion

The NCC's new guideline marks a new dawn in Nigeria's corporate governance landscape as it relates to companies in the communications industry, taking cognizance of emerging trends and innovations in this sector, providing for technological oversight, requirements for ESG reporting, and more.

Additionally, given the enforcement powers of the NCC, including the ability to suspend or revoke licenses and to direct board/ management changes, it is essential that companies in the communication industry conduct critical internal checks and ensure compliance with the new provisions of the NCC Guidelines 2025.

²⁶ NCC Guidelines, 2025, section 14(10), 'Corporate Reputation'.

²⁷ NCC Guidelines, Section 37(6), 'Compliance Report'.

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