

NCC Tightens Oversight of Ownership Changes in Communications Companies

Regulatory Update

On June 21, 2026, the Nigerian Communications Commission (“NCC”) and the Corporate Affairs Commission (“CAC”) issued a joint press statement introducing a significant compliance requirement for communication companies operating within Nigeria. This requirement is said to be made pursuant to *Section 90 of the Nigerian Communications Act 2003*, *Regulation 28(2) of the Nigerian Communications Commission (Competition Practices) Regulations 2007*, and *Regulation 42 of the Nigerian Communications (Licensing) Regulations 2019*, which collectively empower the NCC to review and oversee transactions affecting licensees and to safeguard competition within the communications industry.

The requirement provides that all proposed transfers of ownership or control of shares in an NCC licensee,¹ amounting to 10% or more of the licensee's total share capital will require the prior issuance of a Letter of No Objection by the NCC before the CAC can register such transfer, the said requirement also extends to a series of share transfers that, when aggregated, result in a transfer exceeding 10% of the licensee's total share capital. Consequently, parties will now need to seek regulatory regularisation before they can implement qualifying share transfers.

Under this new arrangement, the Corporate Affairs Commission (CAC) now requires communications companies, including telecommunications operators, seeking to register changes to their shareholding structures to provide evidence of the NCC's prior consent when the proposed transfer meets or exceeds the prescribed threshold of 10% of the licensee's total share capital.

Regulatory Objective

According to the NCC and CAC, the measure is intended to preserve a fair and competitive market structure within the communications sector by preventing direct or indirect anti-competitive conduct and ensuring effective regulatory oversight of significant ownership changes. The framework is also expected to strengthen transparency, promote investor confidence, enhance regulatory certainty, and safeguard the long-term sustainability and stability of Nigeria's communications industry.

What Does This Mean for Communications Companies?

The development has important implications for communications operators, infrastructure providers, internet service providers, value-added service providers, and other entities holding NCC licences.

1. Impact on Corporate Restructuring and Due Diligence: Acquisitions, mergers, internal restructurings, investments, and share transfers involving NCC licensees will now require a careful assessment of whether the transaction triggers the 10% threshold for NCC approval.

Consequently, investors, lenders, and transaction counsel will need to incorporate regulatory compliance reviews into their due diligence processes, including verifying that prior changes in ownership or control were implemented in accordance with NCC requirements. They will also need to factor NCC approval timelines into transaction planning, with the receipt of NCC Letter of No Objection likely becoming a condition precedent in share purchase agreements, share subscription agreements, investment agreements, and other transaction documents where the threshold is met.

2. Greater Regulatory Scrutiny of Indirect Ownership Changes: The NCC's focus extends beyond direct share transfers and may capture transactions that result in indirect changes in ownership or control. Communication companies should therefore carefully assess holding-company restructurings, changes in beneficial ownership, and multilayered investment arrangements.

3. Potential Consequences of Non-Compliance: Failure to obtain the requisite approval from the NCC in this regard would inevitably expose parties to regulatory sanctions, delays in the submission of requisite returns at CAC, and potential challenges to the validity or effectiveness of ownership changes.

Key Takeaways

This new requirement serves as a call to action for communications companies in Nigeria that are currently reviewing their existing corporate structures, shareholder arrangements, and proposed transactions to ensure they take the requisite steps to obtain the NCC's approval. Investors and transaction parties should engage with their legal advisers early in the transaction lifecycle to avoid delays and ensure compliance with the evolving regulatory framework.

The NCC and CAC collaboration in this regard signals a more integrated regulatory approach to monitoring ownership and control within the communications sector. Going forward, regulatory approval should be treated as a crucial priority rather than being ignored.

Endnotes

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1. NCC Licensee means a person who either holds an individual license or undertakes activities which are subject to a class license granted under the Nigerian Communication Commission Act, 2003. See NCC Act, S.157.e.g. Mobile Network Operators (MNOs), Infrastructure Companies (InfraCos), Internet Service Providers (ISPs), Value Added Service (VAS) Providers, Mobile Virtual Network Operators (MVNOs), see NCC website <https://ncc.gov.ng/industry/licensing/list-licensees>
2. Joel Oladele, "NCC, CAC mandate approval for 10 per cent telecom share transfers" (The Guardian, June 21, 2026) <<https://guardian.ng/news/ncc-cac-mandate-approval-for-10-per-cent-telecom-share-transfers> > accessed June 22, 2026.

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