

BENEFICIAL OWNERSHIP TRANSPARENCY IN NIGERIA

Introduction

Section 2.5 of the EITI Standard 2016 recommends that implementing countries should maintain a publicly available register of the beneficial owners of the corporate entities that bid for, operate or invest in extractive assets. NEITI adopted the definition given by EITI on beneficial ownership which states that *“A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity”*. For more information (see <https://eiti.org/beneficial-ownership>).

There is currently no law or government policy in Nigeria that expressly mandates the disclosure of the Beneficial/real owners of companies. However, in alignment with the anti-corruption stance of the administration, President Muhammadu Buhari made a number of commitments at the May 2016 London Anti-Corruption Summit. These commitments included the pledge that Nigeria will join the Open Government Partnership (OGP) and will establish a public register of the beneficial owners of companies.

Nigeria joined the OGP in December 2016 and submitted a National Action Plan, which included the establishment of a CAC-hosted public register of the beneficial owners of all companies operating in Nigeria by December 2019. The progress made on this is evident in the thematic area of commitment six (6) of the fiscal transparency section of the OGP Nigeria National Action plan (2017-2019). For more information (see https://www.opengovpartnership.org/sites/default/files/Nigeria_NAP_2017-2019.pdf)

In fulfilment of requirement 2.5 of the EITI standard, NEITI published the roadmap for beneficial ownership before the 1st of January, 2017 deadline which requires all EITI countries to have a deadline by the aforementioned date. (It should be noted that the EITI commitment is to have a register for only extractive companies and the deadline is January 2020).

The roadmap seeks to outline Nigeria's strategy towards beneficial ownership and among other things demands public disclosures of the real owners of oil, gas and mining companies that operate in Nigeria. It also provides comprehensive plans and actions designed to guide Nigeria in its implementation of beneficial ownership transparency in the extractive industries. For more information (see <https://eiti.org/sites/default/files/documents/neiti-bor-281216.pdf>)

The NEITI Secretariat issued an eight-page Policy Brief in May 2016 on "*the need to know who owns what*" which highlights importance of the Beneficial Ownership requirements as contained in the 2016 EITI Standard.

For more information (see <http://www.neiti.gov.ng/index.php/2017-07-27-13-55-55/policy-brief>)

The 2015 NEITI Oil & Gas report sought to obtain the Beneficial Owners of companies operating in the Nigerian oil & gas industry as defined within the scope of EITI requirement 2.5 and was able to obtain names of the natural person(s) who directly or indirectly ultimately control(s) the corporate entity except for publicly listed companies and wholly owned subsidiaries.

The Companies provided information on beneficial owners as part of the NEITI report request through templates sent to them. A total of 54 companies were covered in the audit. 53 returned populated templates on beneficial ownership. The summary of information provided by the covered entities can be found [summary of beneficial ownership information](#).