

## REGULATORS RESPONSE TO CORONAVIRUS PANDEMIC ('COVID-19')

COVID-19 Newsletter from Jackson, Etti and Edu

Following the outbreak of the COVID-19 Pandemic, the Federal Government of Nigeria through its Ministries, Departments and Agencies (MDAs) has put in place measures to curb the spread of the COVID-19 as well as ensure business continuity.

Regulators such as the Nigerian Stock Exchange, the Corporate Affairs Commission, the Securities & Exchange Commission, the Federal Inland Revenue Service and the National Agency for Food and Drug Administration and Control, have now issued circulars and guidelines on the measures to be adopted by companies in conducting affairs with these Regulators, as well as holding of Annual General Meetings (AGMs) and filing of tax and other statutory returns.

Generally, these Government regulatory agencies have announced that compliance with regulatory requirements should be done electronically and physical meetings should be reduced to the barest minimum.

It is important to note that all regulatory requirements (filings, meetings, etc) are still expected to be complied with, albeit with some flexibility.

We have provided below the interim requirements for some regulatory agencies, for this period.



### Federal Inland Revenue Services (FIRS)

1. The FIRS has extended the timeline for filing of Value Added Tax (VAT) and Withholding Tax (WHT) to the last working day of the month, following the month of deduction.
  2. FIRS also extended the timeline for filing companies income tax returns by one (1) month
  3. Taxpayers may file their returns without an audited account, provided that the relevant audited account is submitted unailing within two (2) months after the revised due date of filing.
4. All tax filings will be done electronically. Taxpayers already registered on e-filing platform are can submit all returns via [efiling.firs.gov.ng](https://efiling.firs.gov.ng), alternatively to:
- Large taxpayers – oil & gas (Upstream) = [ltoupstream@firs.gov.ng](mailto:ltoupstream@firs.gov.ng)
  - Large taxpayers – oil & gas (Downstream) = [ltodownstream@firs.gov.ng](mailto:ltodownstream@firs.gov.ng)
  - Large taxpayers – oil & gas (Servicing) = [ltoservicing@firs.gov.ng](mailto:ltoservicing@firs.gov.ng)
  - Large taxpayers – non oil (financial) = [ltononoilfinancial@firs.gov.ng](mailto:ltononoilfinancial@firs.gov.ng)
  - Large taxpayers – non oil (Manufacturing) = [ltononoilmanufacturing@firs.gov.ng](mailto:ltononoilmanufacturing@firs.gov.ng)
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- All Medium taxpayers = [mto@firs.gov.ng](mailto:mto@firs.gov.ng)
- All Small and Micro taxpayers = [msto@firs.gov.ng](mailto:msto@firs.gov.ng)
- All Government Business taxpayers = [mto@firs.gov.ng](mailto:mto@firs.gov.ng)
- All Stamp Duty taxpayers = [stampduty@firs.gov.ng](mailto:stampduty@firs.gov.ng)



### **Securities and Exchange Commission ('Commission')**

The Commission issued a circular dated 24<sup>th</sup> March 2020 outlining the following market-focused adjustments to be adopted in the interim in response to the effects of COVID-19, amongst others:

- **Meetings**

The Commission advised companies to take appropriate precautionary measures as recommended by the Federal and State Governments as well as the Nigeria Centre for Disease Control (**NCDC**) to ensure the safety of shareholders and participants at AGMs/Extra-Ordinary General Meetings and other meetings which may be held during the prevalence of the pandemic.

- **Filing of Returns**

The Commission has approved a 60-day extension, in the first instance for public companies to file their 2019 annual reports and Q1 2020 reports.

The Commission has directed that all returns for public companies should be filed electronically at the dedicated email addresses - [quotedcoyreturns@sec.gov.ng](mailto:quotedcoyreturns@sec.gov.ng).

- **Capital Market Operators**

Filing of Applications

1. SEC has stated that all new applications for registration of Capital Market Operators ('CMOs') are suspended until further notice.
2. All pending applications and requests by CMOs for update of information will be processed electronically.
3. Registration of funds and other relevant filings will be done electronically
4. Registration of securities, public offers, mergers and acquisitions, debt issuance, etc should be done electronically



## **Nigerian Stock Exchange ('NSE')**

### **Filing of Financial Statements**

1. The NSE has granted a 60-day grace period for the submission of the Audited Financial Statement for the year ended 31<sup>st</sup> December 2019 (which falls due for submission on Monday - 30<sup>th</sup> March 2020)

### **Annual General Meetings ('AGM')**

1. The NSE has advised listed companies intending to hold AGMs to do so in compliance with the NCDC guidelines for safe mass gatherings.

2. The NSE has also reminded companies intending to postpone their AGMs of the requirement for such:
  - (a) As provided in the Rule book of NSE 2015 (Rule 19.4(d) – If an issuer fails to hold its AGM within nine (9) months from the end of its financial year or within such extended period as may be approved by the Corporate Affairs Commission, the Issuer shall file a report with the NSE within ten (10) business days of the end of the stipulated period explaining the reasons for their default, and they shall make an announcement in that regard in at least two (2) national dailies within five (5) business days of receiving NSE's approval to make the announcement.
  - (b) As stipulated under Section 213 (1) of the Companies and Allied Matters Act, CAP 20 Laws of the Federation of Nigeria 2004 (CAMA) not more than 15 months should elapse between one AGM and that of the next AGM. Also, the CAC may extend the time within which an AGM should be held, by a period not exceeding 3 months.



## **Corporate Affairs Commission ('CAC')**

Filings at CAC are still ongoing electronically (and access to the CAC offices have been restricted). The CAC, however, has made provisions for AGMs of companies to be held using proxies (in accordance with section 230 of CAMA). In order to hold such AGMs, companies must comply with the following:

1. Obtain the prior approval of the CAC to hold the meeting by proxies. We assume that the CAC, prior to issuing an approval, would take into cognisance the recent directives on restriction of movement of persons issued by the Federal Government of Nigeria.

2. CAC's representative(s) will be present at the meeting as observers
3. The meeting shall only discuss the ordinary business of an AGM (as stipulated in section 214 CAMA)
4. Notice of the meeting and proxy forms should be sent to every member in accordance with the requirements of CAMA. Companies will be required to provide the CAC with the evidence of postage or delivery of such notice after the meeting



5. All members should be advised in the notice that in view of the COVID-19 pandemic, attendance will only be by proxy with the names and particulars of the proposed proxies listed for the members to select therefrom. The invitation will be issued at the company's expense as well as the stamp duties which will be prepaid by the company. The proxies need not be members of the company
6. The company will be guided by the provisions of its Articles of Association or CAMA as regards to quorum. However, for the purpose of determining quorum, each duly completed proxy form shall be counted as one.



### **National Agency for Food and Drug Administration and Control ('NAFDAC')**

The NAFDAC has announced that all its regulatory processes will not be disrupted. Also, NAFDAC will be operational with restricted access to its facilities. Stakeholders are advised to engage with the relevant NAFDAC directorates via emails and other electronic platforms.

With regards to the registration of products, the NAFDAC noted the following:

1. Good Manufacturing Practice ('GMP') Inspection for local facilities will be limited
2. Due to the COVID-19 pandemic and travel restriction, GMP inspection for foreign facilities will be suspended
3. Applications for the registration of products deemed to have urgent public health impact will be processed and given conditional and limited approvals
4. Products (already being processed for registration) necessary and critical to treat/curb COVID-19 will be expedited and given emergency approvals.

### **Conclusion**

Companies are therefore advised to comply with the circulars and guidelines issued by these Regulators in planning their affairs, conducting their AGMs as well as filing relevant returns.

We would endeavour to provide additional regulatory updates as they occur.

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