

## **BENEFICIAL OWNERSHIP (BO) VALIDATION - RESPONSES TO QUERIES**

1. Please provide justification why date of birth and contact addresses are not provided on the BO portal.

**Based on Stakeholder engagements, Nigeria has agreed that certain sensitive information like date of birth, contact address etc will not be made public for security reasons. They are available at the back end and can be accessed by authorized persons. (See attached minutes of various stakeholder engagements and the Beneficial Ownership Disclosure Roadmap). At the recently concluded Stakeholders Workshop organized by NEITI on 25<sup>th</sup> March 2021, it was resolved that the Year and Month of birth will be made publicly available on the portal.**

2. There is no evidence of MSG assessment of comprehensiveness and reliability of data published. Also the lack of disclosure of BO for companies that have garnered significant media attention in the past, such as Aiteo, could be seen as a red flag. The identity of the beneficial owner of Aiteo is common knowledge, but this information is not in Annex 12 of the 2018 NEITI oil and gas report nor on the NEITI BO portal.

**The information is available on the BO portal.  
[https://bo.neiti.gov.ng/og\\_search#](https://bo.neiti.gov.ng/og_search#)**

3. There is no evidence of discussion by the MSG on comprehensiveness and reliability of data. There is also no evidence to demonstrate that the MSG assessed the comprehensiveness of the data disclosed .

**NEITI is currently working with Government to put in place an MSG. The New Executive Secretary/National Coordinator has held series of meetings with the Government on the constitution of the MSG. This will be resolved very soon. In the interim, NEITI held an engagement workshop with major stakeholders including representatives of Companies, Civil Society and Government. The stakeholder workshop carried out a gap analysis of the**

**portal. This workshop was held on 25<sup>th</sup> March 2021 and availed stakeholders an opportunity to provide a feedback on the BO Portal. The Communique on the decisions of the workshop is attached.**

4. The NEITI 2021 Workplan published on the NEITI website indicated that there will be stakeholder engagement on the BO register but the activities to be undertaken are not provided.

**NEITI has a detailed workplan on Beneficial Ownership. Please find attached the workplan.**

5. No new oil and gas licenses have been awarded since 2005, however, the Department of Petroleum Resources is working on a regulation for applicants/bidders in the oil and gas sector to provide BO information as part of future licensing process. The Mining Cadastre Office (MCO) has put a regulation in place and asked that from July 2019, all companies provide BO information as part of license renewals and license applications process.

**Please find attached the Licence renewal form containing requirements for BO Information. See the link below for the publication.**

**[MCO Announces Resumption of Receiving of New Applications for Mineral Title - The Truth \(truthng.com\)](#)**

6. The 2018 NEITI oil and gas report highlighted that templates were sent to all oil and gas companies to provide BO information, appendix 12 of the report shows disclosure by 28 oil and gas companies. The report further highlighted that BO information is disclosed through the NEITI BO portal, a review of the portal shows 189 oil and gas companies and 206 mining companies have disclosed information. There are seventy-one oil and gas companies holding oil and gas license and seven hundred and twenty mining companies.

**A list of all valid titles is available in Appendix 6 of the 2018 Mining report however, it is important to note that only producing companies pay royalty.**

7. NEITI further highlighted that, in collaboration with the Corporate Affairs Commission (CAC), Department of Petroleum Resources (DPR), Bureau for Public Procurement (BPP), Nigeria Financial Intelligence Unit (NFIU) and Ministry of Mines and Steel Development (MMSD) agree to the routing of BO data through the data base of the NFIU. Also, the Mining Cadastre Office (MCO) has requested that from July 2019 for all companies to attest to accuracy of the BO information for all licence renewals and new license applications. However, there is no corresponding MSG meeting minutes to support these claims.

**This discussion was at the level of inter-agency consultations in line with the Beneficial Ownership Roadmap approved by the MSG. The secretariat held wide consultations with stakeholders including the entities listed above. Attached are minutes of stakeholder consultations and sample MOU.**

8. The Corporate Affairs Commission has a corporate register of all the companies registered in Nigeria which provides basic publicly available information such as company name, address and registration number. Information such as percentage shareholding and directors of the companies requires a token payment of USD2.6 to be displayed.

**NEITI has in the past attempted to check the availability of legal ownership information available on the CAC database, but the CAC insisted on a charge for the information. However, one of the outcomes of the Stakeholder Workshop on Beneficial Ownership held on 25<sup>th</sup> March 2021 was a public declaration made by the Registrar General/CEO of the Corporate Affairs Commission that henceforth, fees for access to BO information will be waived.**

**REPORT OF STAKEHOLDERS' MEETING ON VALIDATION AND GAP ANALYSIS  
OF THE BENEFICIAL OWNERSHIP IMPLEMENTATION IN NIGERIA  
ORGANIZED BY THE NIGERIA EXTRACTIVE INDUSTRIES TRANSPARENCY  
INITIATIVE (NEITI), HELD ON MARCH 25, 2021 AT NICON LUXURY HOTEL,  
ABUJA, NIGERIA.**

## **INTRODUCTION**

The Nigeria Extractive Industries Transparency Initiative (NEITI) held a one-day validation and gap analysis meeting of the Beneficial Ownership Implementation in Nigeria on March 25, 2021. BO register is the product of series of wide stakeholder engagements since 2016. The aim of the meeting was to convene relevant stakeholders on issues surrounding the implementation of beneficial ownership in Nigeria, evaluate the implementation of beneficial ownership transparency in Nigeria and propose ways to address gaps in NEITI BO portal.

The opening ceremony, which started at 10:00am, the meeting had in attendance the various stakeholders under the EITI tripod (civil society, companies and government), the meeting had over 50 participants while others joined virtually. Some of the participants include, the Registrar General of the Corporate Affairs Commission (CAC) Alhaji Garba Abubakar, Mr. Bunmi Toyobo (Chairman, Companies Forum), Representatives of the civil societies (CISLAC), Ms. Ines Marques (Policy Director, EITI secretariat), Ms. Karabo Rajuili (Country Manager, Open Ownership), other stakeholders including DPR, NNPC, EFCC, NFIU, CBC, MCO, CAC and the media.

Alhaji Garba Abubakar, the Registrar General of the Corporate Affairs Commission officially opened the meeting with his speech on the activities of the international Financial Action Task Force (FATF) and their decisions in having the legal framework for BO register in Nigeria. He expressed satisfaction with the collaboration of CAC with NEITI, CISLAC and other relevant stakeholders in determining the reporting threshold with the support of Companies and Allied Matters Act (CAMA).

According to him, the framework will cover the disclosures of all directors and interested persons of companies. He further highlighted the efforts of CAC in ensuring the register's implementation. In his speech, he discussed the data collection system which has been made available to the public. On January 3, 2021, the CAC mandated that all information should be made public as required under the commitment of Nigeria to the OGP. For existing companies, he stated that the disclosure is tied to their annual returns. On the concerns of data privacy, he commented on the role of CAMA and the provision of the justification and possibility for the removal of addresses on the portal. On the identity hack and security concerns, he stated that the date of birth is omitted so as to protect individuals from unnecessary exploitation.

He expressed the seriousness of the transparency of the information provided which accounts for two-years imprisonment for those who submit the wrong information.

In his remarks on the next stage, he spoke on the need for the system to be integrated with the National Identity Management System in ensuring the accuracy of the submitted information. The Registrar General encouraged companies to create their own electronic account with the CAC to ease information tracking. According to him, the intervention from NEITI ensured that the register became active by January 2020. To this end, he stressed on the collaboration of government agencies in integrating all the agencies registers. In his conclusion, he recognized the importance of technology in the facilitation of the BO disclosure and highlighted the next stage of the register which is to have a proper accounting system for companies. This he said, will help in the development of the statistical and comparative assessment in partnership with the EU.

The opening remarks was delivered by the Executive Secretary of NEITI, Dr. Orji Ogbonnaya Orji where he welcomed all the participants. In his speech, he talked on beneficial ownership disclosure as an important area of consideration in the world today where the Nigeria EITI plays a vital role. He highlighted the need for the all stakeholders to work hand-in-hand in sustaining beneficial ownership disclosure where he quoted the Thabo Mbeki report on illicit financial flows (IFFs). Out of the \$50 billion attributed to IFFs in Africa according to the report, Nigeria accounts for a large share where the extractive sector in Nigeria accounts for 93% of IFFs. He mentioned the commitments of Nigeria to beneficial ownership reporting according to the EITI's requirement 2.5 and the Open Government Partnership. He stressed on the importance of the integration of the BO register in NEITI with that of the overall register with the CAC. In his conclusion, he enjoined everyone to fully participate in the success of the roadmap and actualization of the BO register in Nigeria.

The international EITI secretariat joined the meeting via zoom where Ms. Ines Marques thanked the NEITI team for inviting her. In her presentation, she stated the importance of BO transparency across the natural resources value chain. She revealed the overall objective of the BO register which is to avoid corruption, loss of revenue in the extractive sector and ensure EITI implementing countries and companies disclose information on the key steps in the governance of oil, gas and mining revenues.

On the journey of the BO register implementation, she explained the EITI Standard's Requirement 2.5 which states that "all EITI countries have to **ensure that companies that apply for or hold a participating interest** in an oil, gas or mining license **or contract** in their country **disclose their beneficial owners (BO)**". In her closing remarks, she addressed the importance of partnership with relevant stakeholders in bridging the gap on BO register implementation in Nigeria.

In his goodwill message the representative of the civil societies Mr. Auwal Rafsajani, Director of Civil Society Legislative Advocacy Center (CISLAC) commented on the efforts of CAC and NEITI in reducing corruption and leakages in the economy, most especially the Nigeria extractive sector. He noted the negative effects of the non-disclosure of owners of companies. According to him, the revenue leakage of \$18 billion annually in Nigeria has been attributed to illicit financial flows. He highlighted some of the projects the CSOs have worked on with the international community in ensuring a proper implementation of the register and in strengthening accountability in Nigeria. He promised that the CSOs will work hand-in-hand with NEITI to ensure successful implementation of the register. In his speech, he commented on the partnership of CSOs with EFCC in ensuring banks disclose their assets to the public.

He concluded by commending NEITI for their efforts in being the first country in Africa to implement the BO register. He called for active collaboration of all government agencies and relevant stakeholders in curbing IFFs in Nigeria.

Dr. Orji Ogbonnaya Orji responded by praising CISLAC and CAC's efforts in the sustainability of the register. He concluded by proposing the establishment of a joint task force consisting of all relevant stakeholders for tracking the implementation for public awareness.

Mr. Peter Ogbobine, the director of legal services of NEITI talked on the roadmap of the BO register in Nigeria from 2012 when the present minister of finance H.E Zainab Shamsuna Ahmed was the Executive Secretary of NEITI. He stressed the importance of the Department of Petroleum Resources (DPR) in capturing the details of oil and gas companies in Nigeria, while the Mining Cadastre Office (MCO) will capture the solid minerals while NEITI will come up with innovative ways in ensuring the integration of both registers. The director of the Technical Department NEITI, Dr. Dieter Bassi addressed the audience in his presentation by giving an overview of the NEITI BO register and the journey so far after the initial BO portal launch in December, 2019. According to him, the BO register currently has 181 beneficial owners in 49 oil and gas companies and 205 BOs in 76 solid minerals companies.

## CONCLUSION

Mr. Peter Ogbobine, the Director of Legal Department NEITI concluded by stating that in the extractive sector, the MCO will be in charge of the BO register for the solid minerals industry in Nigeria while the DPR will be in charge of the one pertaining to the oil and gas companies in Nigeria. The head of the Oil and Gas unit, NEITI, Madam As'mau buttressed the legal director's point by stating the need of housing the registers with the respective regulators due to their power in knowing whenever information changes in the disclosure from companies.

The participants expressed their satisfaction at the work being done by NEITI on the Beneficial Ownership implantation in the Nigerian extractive sector at the national level.

## SUMMARY OF STAKEHOLDERS'S GAP ANALYSIS

S/NO	COMMENTS	GAP/OBSERVATION	REMARK/WAY FORWARDS	TIMELINE/ AGENCIES RESPONSIBLE
1.	Employing technological tools.	<ul style="list-style-type: none"> <li>Inconsistency in information available to other agencies.</li> <li>BO portal goes offline occasionally.</li> <li>Functionality of secondary links on the BO portal.</li> </ul>	<ul style="list-style-type: none"> <li>Inter-agency buy-in.</li> <li>Unification of registers to eliminate discrepancies.</li> <li>Inter-agency collaboration</li> <li>Provision of back-end access to relevant agencies for investigation and verification.</li> <li>Harmonization of information among agencies.</li> <li>Simplification and dissemination of BO data using innovative tools (Use of smart analytics and summary reporting).</li> <li>Secondary links e.g., to the stock exchange should be activated.</li> <li>Upgrade and expand NEITI's data storage portal.</li> </ul>	Short-term <ul style="list-style-type: none"> <li>MCO</li> <li>NSE</li> <li>SEC</li> <li>NEITI</li> <li>CAC</li> <li>NFIU</li> <li>National Orientation Agency (NOA)</li> <li>News Agency of Nigeria (NAN)</li> </ul>
2.	Identifying/establishing the ultimate beneficial owner.	Companies still being listed as beneficial owners thus, a differentiating mechanism between the legal owners from the beneficial owners is crucial.	<ul style="list-style-type: none"> <li>Proper investigation should be done to further identify the real owners.</li> </ul>	Medium-term <ul style="list-style-type: none"> <li>NFIU</li> <li>CAC</li> <li>DPR</li> <li>MCO</li> <li>BPP</li> </ul>
3.	Reliability/validation of data provided.	<ul style="list-style-type: none"> <li>Proper investigation of data provided.</li> </ul>	<ul style="list-style-type: none"> <li>Signing of affidavits with the provision of legal and financial consequences if</li> </ul>	Medium-term <ul style="list-style-type: none"> <li>NEITI</li> <li>FIRS</li> </ul>

		<ul style="list-style-type: none"> <li>• Verification of outdated information.</li> </ul>	<p>wrong information is provided.</p> <ul style="list-style-type: none"> <li>• Inter-agency collaboration.</li> <li>• Mainstreaming of data.</li> <li>• Employing unique identifiers such as BVN and NIN in differentiating persons with identical information.</li> <li>• Use of structured name format (i.e., first, middle and last names).</li> <li>• Strict enforcement of penalty for defaulters.</li> </ul>	<ul style="list-style-type: none"> <li>• NIMC</li> <li>• CBN</li> <li>• CBC</li> <li>• EFCC</li> <li>• NFIU</li> <li>• Federal Ministry of Justice</li> <li>• CAC</li> </ul>
4.		Mechanism for reporting false information.	<ul style="list-style-type: none"> <li>• Having an appropriate legal framework.</li> <li>• Research and prosecution of any concealment/misleading information relating to any economic and financial crime.</li> <li>• Provision of mechanisms for citizens to report possible false declaration.</li> </ul>	<p>Medium-term</p> <ul style="list-style-type: none"> <li>• EFCC</li> <li>• CBN</li> <li>• CAC</li> <li>• NFIU</li> <li>• NEITI</li> </ul>
5.	Independent research with the BO data to expose cronies of PEPs and increase public awareness.			<p>Long-term</p> <ul style="list-style-type: none"> <li>• CSOs</li> <li>• NEITI</li> </ul>
6.	Improving the services and over-all functionality of the portal.	Comprehensiveness and reliability of the register.	<ul style="list-style-type: none"> <li>• Periodically update with inputs from CAC and other stakeholders.</li> </ul>	<p>Medium-term and Long-term</p> <ul style="list-style-type: none"> <li>• All agencies</li> </ul>
7.	Level of insecurity and disclosure/ protection by companies			
8.		Extensive sensitization and public enlightenment.	<ul style="list-style-type: none"> <li>• Active communication and collaboration.</li> <li>• Establishment of bilateral meetings with relevant agencies.</li> </ul>	<p>Short-term</p> <ul style="list-style-type: none"> <li>• All agencies</li> </ul>
9.		Bridging the information gap.	<ul style="list-style-type: none"> <li>• Establishing an inter-agency committee for necessary follow-up sessions and re-evaluating the issues and proposing progress steps.</li> </ul>	<p>Short and Medium Terms</p> <ul style="list-style-type: none"> <li>• All agencies</li> <li>• National Orientation Agency (NOA)</li> </ul>

				<ul style="list-style-type: none"> <li>• News Agency of Nigeria (NAN)</li> </ul>
10.		Establishing a common reporting standard for companies (According to FATF and OECD guidelines)		<p>Medium term</p> <ul style="list-style-type: none"> <li>• CAC</li> <li>• Federal Ministry of Justice</li> <li>• NEITI</li> <li>• NFIU</li> <li>• EFCC</li> <li>• DPR</li> <li>• MCO</li> </ul>