

# ANALYSIS

## ANALYSING THE REGULATION OF NON-PROFITS, REGISTERED AS INCORPORATED TRUSTEES UNDER "PART F" OF THE NEW CAMA

### HIGHLIGHTS

- The new Companies and Allied Matters Act (CAMA) 2020 expands the powers of the Corporate Affairs Commission (CAC) from registering incorporated trustees or non-profits/non-governmental organisations (NGOs) to now include conducting investigations into their affairs, obtaining court ordered suspension of trustees, appointment of interim managers and restriction on their financial transactions. These new powers raise concerns of possible arbitrariness.
- The experience across jurisdictions is that Commissions or bodies, set up to oversee non-profits can only be effective if they are independent and free from government interference. The new provisions in Part F of CAMA seem to be copied from the UK Charities Act 2011 without regard to the set-up and operations of the Nigerian CAC vis-à-vis the UK Charities Commission, an independent body solely dedicated to charities, accountable to the Parliament, and whose mode of appointment of its board/ leadership is advertised and competitive. The CAC on the other hand is an executive body whose leadership is appointed by the President without legislative approval. It operates under a supervising Minister of Trade who appoints board members representing only for-profit or business interests. There is no non-profit representative on the CAC board.
- While NGO regulations exist in other common law jurisdictions such as the United Kingdom, Australia, United States and Kenya, and civil law jurisdictions in Europe due to tax reliefs and State benefits, their ultimate objective is to encourage philanthropic activities for the benefit of society, not to produce a chilling effect in the sector.
- The advertisement of the new CAMA solely as a breakthrough on ease of doing business without regard to the consequences for the non-profit sector is reflective of government's priorities and attitude towards NGOs. Lawyers are reporting a new requirement of the Registrar-General's consent to register incorporated trustees.
- Nigerian NGOs registered under CAMA do not enjoy significant state benefits, when compared to non-profits in other jurisdictions, enough to warrant these stringent regulations. Examples are federal and state government grants/subsidies (most NGO funding comes from foreign donors) and tax deductible donations for individuals (only companies in Nigeria can get rebate on donations they make to non-profits and this is capped at 10% of their profits for the year). Even in the face of economic recession and the Coronavirus pandemic, the government has not provided the type of support seen in other countries. E.g. the US Coronavirus Aid, Relief and Economic Security Act (CARES Act) 2020 extends state benefits to US non-profits such as increased tax deductions for donors, low interest loans, emergency grants and unemployment benefits.
- Part F of the new CAMA will be difficult to implement because attempts to expand government powers or regulations without corresponding incentives and government accountability is usually met with strong public resistance. Successful implementation of regulations depends on the level of public trust in the government, which is very low in Nigeria.
- The new CAMA ignites the need for expanded conversations among NGOs/non-profits on an amendment or an alternative acceptable and independent oversight model.

# **BACKGROUND**

The Companies and Allied Matters Act is the enabling framework for the operation of business entities and non-profits in Nigeria. It is the law that guides the registration and administration of companies, businesses and associations. The Companies and Allied Matters Act, 2020 (popularly known as CAMA) was introduced as an executive bill in the National Assembly in December 2019, was passed in record time by the 9th Senate on 10 March 2020 and the House of Representatives on 5 March 2020 without public scrutiny by way of a public hearing. It received Presidential Assent on 7 August 2020 thereby replacing the Companies and Allied Matters Act, 1990. While the new law is touted as a benefit for companies by improving ease of doing business, it introduces more stringent regulations for organisations registered as incorporated trustees, which includes Non-Governmental Organisations (NGOs), Civil Society Organisations (CSOs), Community Based and Faith Based Organisations. This document analyses the new provisions in Part F of the Act dealing with non-profit organisations registered as incorporated trustees. Section A reviews the new legal provisions while section B contains a critique on the operability of the law.

## **A: REVIEW OF THE LEGAL PROVISIONS**

### **1. CAC TO INVESTIGATE NGOS AFFAIRS**

By section 8 (1) (c) and (d) of the new law, the functions of Corporate Affairs Commission (the 'Commission' or 'CAC') have been expanded to emphasise the Commission's power to "arrange or conduct an investigation into the affairs of incorporated trustees" where the interest of members or the public so demands, including ensuring compliance with the provisions of the Act and relevant regulations made by the Commission. In this vein, it can be said that the intent and provisions of the much vilified Non-Governmental Organisation Regulatory Commission of Nigeria (Establishment) Bill, 2016 (the NGO Regulation Bill) have been imported into this new law. For instance, Clause 26(2) of the bill, sought to empower the Commission to monitor the activities of an NGO. This provision inadvertently grants the CAC the same powers.

It appears that this provision was copied from the UK Charities Act 2011, which provides that the Charities Commission has the function of "identifying and investigating apparent misconduct or mismanagement in the administration of charities and taking remedial or protective action in connection with misconduct or mismanagement in the administration of charities."<sup>1</sup>This is however more specific in its remit than the framing of the Nigerian law.<sup>2</sup>

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1 Section 15(1) (3)

2 It should be noted that the powers of CAC do not exempt the exercise of investigative powers by other authorities set up by law such as the Nigerian Police or Economic and Financial Crimes Commission (EFCC) to whom Nigerian NGOs also have a reporting duty.

## 2. SUSPENSION OF TRUSTEES

The expansive provisions of Section 839 empower the Commission to suspend the trustees of an association and appoint an interim manager, on the order of a Court. It states that the grounds upon which such decision can be made include:

- Misconduct or mismanagement in the association's administration e.g. unlawful remuneration and reward of persons acting in the association's affairs, misuse of funds related to the association's property;
- To secure proper use of the association's property towards achieving its objects and purpose;
- In the interest of the public; and
- Fraudulent running of association's affairs.

This process is to be initiated by a petition to the Court, by the Commission or one-fifth of the association's members and stipulates that this must be backed by reasonable evidence. In the consideration of such petition, the Court may make a number of orders such as:

- Suspension of any person/ employee/ officer of the association for not longer than 12 months;
- Appointment of additional trustees for proper administration;
- Vesting of association's property to an official custodian;
- Ordering persons holding property on behalf of the association to not part with it without approval of the court;
- Ordering any debtor not to make payments to the association, but to an interest yielding account administered by the Commission on behalf of the association;
- Restricting the association from engaging in transactions and making payments without court approval; and
- Appointment of an interim manager to act as Receiver and Manager.

As it relates to the interim manager, the Court, with assistance from CAC, is to stipulate their powers and duties and operate under the supervision of the Commission. Furthermore, CAC is to make regulations in respect of the functions, powers and remuneration of the interim manager and reporting on the interim administration. It is important to note that the entirety of this section can only be exercised with approval of the Minister responsible for Trade. This provision is the most concerning because it could be seen as providing an avenue for government interference in the activities of associations, as well as, interference with the constitutional right of freedom of association. In addition, it appears that the intent

of this provision is to bring in stricter regulation that could not be introduced with the NGO Regulation Bill.

This provision is reminiscent of the UK Charities Act 2011, which makes provision for the suspension of trustees and appointment of interim managers. The orders that can be made by the Court are also similar to those contained in the new CAMA. The major difference between the Nigerian law and the UK law is the process of initiating the suspension and who makes the order; with the UK law, it states that "the Commission may of its own motion"<sup>3</sup> do so. It also specifies that as it relates to misconduct and mismanagement, there are specific criteria that must be met. That is, that the Commission is satisfied that a particular person is responsible for the said act or that the person knew and failed to take reasonable steps to oppose it or the person's conduct contributed to or facilitated it.<sup>4</sup> This provision is also catered for in the Australian Charities and Not-for-profits Commission Act 2012, which provides for the suspension and/or removal of responsible entities, which could include directors or trustees. In their case, once a trustee is removed another association cannot appoint them.

In addition to the above issues, it bears noting that the terms 'members' and 'reasonable evidence' are not defined in Part F of CAMA. In relation to members, it is not clear whether this refers to the trustees only or other persons. On the issue of reasonable evidence, the Australian law provides for the Commission in charge to issue a "show cause" notice showing the grounds for suspension and requesting a written statement from the non-profit showing cause why they should not be suspended. The new CAMA does not provide for administrative remedial action that can be taken prior to a petition being filed in court.

### 3. NOTIFICATION OF DORMANT ACCOUNT

By section 842(1) of the new CAMA, banks are required to notify CAC where an association holds two or more dormant accounts. In this regard, dormancy is as defined under relevant banking regulations and includes cases where no transactions other than payments into the account or bank charges have been made within 5 years prior to notification (section 844 (2)). The new law provides that upon notification, CAC is to follow up with a request for evidence of activities of the association (section 842(2)). Associations are mandated to submit a satisfactory response within 15 days. Failing which there are a number of allowable actions that can be taken by CAC, which include dissolution of association for unsatisfactory response (section 842(2)) and transfer of funds to another association, if CAC is unable to locate the association (section 842(2) and (3)). It is important to note that CAC can revoke the order for funds transfer when satisfactory account of activities is received (section 843(b)). Also, a bank, in which said dormant account is domiciled, cannot re-activate

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3 Section 76 UK Charities Act 2011

4 Section 76A UK Charities Act 2011

affected account without notifying CAC (section 843). A criticism of this provision is that it is a roundabout way of mandating funds disclosure as sought under clauses 25(c) and 29(1) of the NGO Regulation Bill.

It may be argued that this provision is adopted to respond to the allegation that accounts of associations have been used to finance terrorist activities. This is reinforced by the definition of dormancy in that part of Act, which says a dormant account is one that only receives payment, when the traditional understanding is that an account is dormant when there is no transaction on the account. It can also be argued that this provision serves as a means of clamping down on the use of associations for money laundering or stashing of cash. Considering the existence of anti-money laundering regulations and required financial disclosures by the Economic and Financial Crimes Commission (EFCC) for NGOs, it can be said that this provision is redundant.

In the UK Charities Act, the Charities Commission can order the transfer of funds from a dormant account to another charity. Institutions who have an onus to report include banks, the regulatory bank- Bank of England, persons who have permission to accept deposits under the Financial Services and Markets Act 2000 or a European Economic Area (EEA) firm with the ability to accept deposits.<sup>5</sup> It further provides that where an account ceases to be dormant before the transfer, the institution must notify the Commission of the circumstances.<sup>6</sup> Furthermore, the new CAMA appears to adopt the definition of dormancy from the UK Charities Act<sup>7</sup> without regard to existing banking and EFCC regulations on fraud and money-laundering that non-profits are already subject to.

## 4. ANNUAL RETURNS

The new CAMA mandates the submission of bi-annual statement of affairs to CAC, failure to do so attracts a daily penalty for each trustee (section 845). In addition, audited Statements of Accounts are to accompany the usual yearly returns (section 848(2)). In the keeping of accounting records, the new law mandates associations to keep accounting records that sufficiently show and explain its transactions (section 846(1)). These records should include day-to-day income and expenditure; and record of assets and liabilities (section 846(2)). It further requires that these accounting records be preserved for 6 years (section 847). Finally, the Commission is to determine the financial year of an association (section 846 (5)) based on its regulations.

The UK law differs from the new law as it only requires the submission of annual returns

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5 Section 109(3) UK Charities Act 2011

6 Section 108 UK Charities Act 2011

7 Section 109(2) UK Charities Act 2011

if a charity has a gross income that exceeds 10,000GBP.<sup>8</sup> As it relates to audited account records, it sets out guidelines mandating accounts of charities to be audited or examined depending on their annual income.<sup>9</sup> A provision similar to what is obtainable in the new CAMA can be found in the Australian Law. In this instance, both audited financial report and information report is required for medium to large entities.<sup>10</sup> However, this is on an annual basis and not bi-annual as required by CAMA. This raises the question of the capacity of CAC to manage twice-a-year filings from numerous non-profits across the country.

## 5. MERGER

By the new CAMA, two or more associations with similar aims and objects are now allowed to merge. This was not contemplated in the old law. Beyond this, CAC is given powers to treat an association as being part of an existing one (section 831(i)) or two or more associations having the same trustees as a single association (section 831(ii)), even without a merger.

A gap in the provision for merger is that it does not provide guidelines or the procedure for how to go about such merger. A guide for such procedure can be found in sections 305-310 of the UK Charities Act, which sets out clear procedures to be followed before and after said merger particularly as it relates to transfer of property. At present, the only recourse is to wait for CAC to provide guidance in its Regulations as set out by the provision.

## 6. ADDITIONAL GROUND FOR DISSOLUTION OF AN NGO BY COURT OR CAC

The new law added a new ground for dissolution of an association by Court or CAC to include withdrawal, cancellation or revocation of certificate of registration by the Commission (section 850(2)(e)). Firstly, there is no provision that details how or why the Court or CAC would withdraw, cancel or revoke a certificate of registration of an association in the first place to warrant a dissolution. Furthermore, it does not provide a procedure for administrative redress where such occurs. Secondly, this goes back to the issue of the NGO Regulation Bill and the importation of its provisions in this new law. Under Clause 18 of the bill, the Governing Board of the proposed Non-Governmental Organisations Regulatory Commission can automatically terminate or suspend a certificate of registration of an NGO where renewal is not granted. Lastly, this measure could be subject to abuse of power by persons who do not want certain associations to continue operations and could become politicised.

A better drafted provision can be seen in the Kenyan Public Benefit Organisations (PBO) Act of 2013. It provides that the Public Benefit Organisations Regulatory Authority

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8 Section 169 UK Charities Act 2011

9 Section 144- 146 UK Charities Act 2011

10 Subdivision 60B and 60C Australian Charities and Not-for-profits Commission Act 2012

(the 'Authority') may cancel a certificate of registration where the PBO has violated the provisions of the Act, is carrying out activities contrary to the Constitution and where there is substantial and credible evidence that the organisation has ceased to exist.<sup>11</sup> The procedure set out involves the issuance of a default notice, upon receipt of the default notice, the organisation may make representations in writing to the Authority regarding remedy or rectification of the default or violation of the Act. The organisation is given not less than 15 days to comply, where the organisation fails to remedy or rectify the violation, the Authority may proceed to fine, suspend or cancel the certificate of registration. The organisation can within 60 days apply for review of the decision.<sup>12</sup>

In addition, the new law stipulates that members of an association are to identify an institution for transfer of its property upon dissolution or winding up (section 850(4)) and if the receiving institution is not identified, the property would be transferred to some 'charitable object' (section 850(5)). However, a definition is not provided. Guidance can be taken from legislation from other jurisdictions. The Australian law defines charitable purpose as covering any purpose that advances health, education, social or public welfare, religion, culture, human rights and many more.<sup>13</sup>

## **7. COMMON SEAL**

Prior to the enactment of this new law, the impression or drawing of the proposed common seal and provisions in the association's constitution was mandatory, this is no longer the case (section 825(2)(c); 827(c) (ii); 830 (1)(b)). This appears to be a non-contentious addition to the law. It is important to note that in the laws being used as basis for comparison, that is, the UK, Australian and Kenyan laws, there is no reference to common seal.

## **8. PENALTY FOR USING TRUSTEE DISQUALIFIED BY LAW**

The new law gives CAC the discretion to determine the penalty for using a Trustee disqualified by law. That is, an undischarged bankrupt or person convicted of an offence involving fraud or dishonesty within 5 years of his appointment as trustee. Now, CAC is given the discretion to determine the penalty for a person so disqualified to act as a trustee and the said penalty would be for every day the person acts in that capacity (section 826(2)). Previously, the penalty was N50 for every day during which the disqualified trustee so acts.<sup>14</sup> The criticism here is that discretionary powers on setting fines can be abused.

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<sup>11</sup> Section 19 Kenyan Public Benefit Organisations Act of 2013

<sup>12</sup> Section 18 Kenyan Public Benefit Organisations Act of 2013

<sup>13</sup> Section 12 Australian Charities Act 2013

<sup>14</sup> Section 592 (2) Old Companies and Allied Matters Act 1990

## **B: ANALYSIS**

### **1. GOVERNMENT REGULATION OF NON-PROFITS**

There is the question of why governments should regulate non-profits or NGOs<sup>15</sup> in the first place or why they should look into the affairs of churches and mosques considering that the government does not fund them. The simple answer to this is because of the benefits or subsidies received from government. A major disadvantage for non-profits or charities is the regulation and public scrutiny that comes with tax advantages received.

Most civil and common law countries extend tax benefits or preferences to organisations set up for public benefit i.e. NGOs or charities. State benefits typically come in the forms of tax exemptions on the organisation's income, tax incentives for the organisation's donors, property tax or inheritance tax relief, and also VAT relief in some cases. In some countries, non-profits may also receive state subsidies or grants and preferential treatment in procuring certain government contracts. Whatever form the benefits take, a key principle is that State benefits or preferential tax treatment triggers regulation.

In Nigeria, NGOs registered under CAMA do not enjoy the extensive tax incentives or benefits enjoyed by non-profits registered in many other jurisdictions. Registered NGOs are exempt from corporate tax and companies that make donations to such organisations involved in philanthropic activities can get a tax deductible donation not exceeding 10% of the total profits of that company for that year<sup>16</sup>. Unfortunately, unlike many other countries, Nigerian laws do not provide for similar deductibility of donations made by individuals. For instance, persons making donations to their churches or to a charitable cause cannot get tax deductions on their donation. Nigerian laws also do not provide property tax relief for NGOs and there is no evidence to show that NGOs receive grants from the government. Furthermore, any form of profit made by NGOs in the course of their work is taxable, including profit made from assets disposed e.g. sale of an office building or equipment.

Many governments around the world go so far to provide other benefits to non-profits in difficult times. For instance, the US non-profit sector received support from their government through the Coronavirus Aid, Relief and Economic Security Act (CARES Act) which was signed into law in March 2020. The law provides for loans to non-profits to pay staff, rent, utilities and interest on mortgage or debt obligations. It also provides for deferment of loan repayment, capping of interest on loans taken, improved incentives for people making charitable donations, and even availability of emergency grants and unemployment benefits. Similar measures have not been provided by the Federal or any State government in Nigeria for non-profits.

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15 Non-profit organisations are diverse and include Civil Society Organisations (CSOs), Non-Governmental organisations (NGOs), Faith Based Organisations (FBOs), Community Based Organisations (CBOs), Academic Institutes, non-government owned Libraries and Museums, Churches and Mosques, etc.

16 See sections 23 and 25 of the Companies Income Tax Act (CITA)



Incentives for individuals or corporations donating to non-profits are a way of encouraging private philanthropy to support public benefit activity and encourage the expansion of NGOs<sup>17</sup>. In established democracies, regulations are used to secure the organisation's assets, protect the public from fraud or deception, and ensure that the tax-exempt status is not abused, not to stifle free speech or constitutional rights to freely associate and assemble as is seen in countries with shrinking civic space.

In terms of registration and regulation, the practice is different across countries. In the United States, non-profits are regulated by federal and state laws. American non-profits registered with the Internal Revenue Service (IRS) are exempt from federal income taxes based on subsection 501(c) (3) of the Tax code and States usually provide the same type of exemption, including sales and property tax exemptions. Religious congregations and organisations with less than \$25,000 in gross receipts are exempted from filing annual returns to the IRS.

In some European countries, non-profits/NGOs are regulated by tax or fiscal authorities since they are responsible for determining the requirements for maintaining a tax-exempt status. Others situate this responsibility with the Ministry of Justice, the Courts or an established Commission. The Charity Commission for England and Wales in particular, created by an Act of Parliament, has worked out a system of managing charities devoid of political interference. The Commission is run by experienced professionals who perform duties going beyond oversight such as advisory support services to charities to encourage good practices with the aim of making them not just accountable but also relevant and effective. Charities that have an annual income of less than £5,000 are not required to register with the Commission.

Comparing the aforesaid to the Nigerian situation, several questions come to mind.

- i. Can the CAC be said to be independent or politically insulated? (The CAC is accountable to the executive while the UK Charities Commission is independent and accountable to the Parliament)<sup>18</sup>. Is it set up to merely register and regulate NGOs without more i.e. support on best practices? Does it have the capacity to effectively regulate the large number of non-profits registered in Nigeria (including those working in remote parts) in addition to the numerous for-profit companies it registers?
- ii. Apart from churches, most of the funding for NGOs interventions come from foreign donors, therefore what is the remit of the powers of CAC in dealing with NGOs assets procured with the money of tax-payers from another country and belonging to a foreign donor?

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17 South Africa's Non-Profit Organisations Act, 1997 states as an objective "creating an environment in which nonprofit organisations can flourish" in addition to establishing an administrative and regulatory framework within which nonprofit organisations can conduct their affairs.

18 Section 9 of CAMA says that the Commission shall appoint the Registrar-General (RG) but in practice, the appointment is made by the President. The board chairman is also appointed by the President on the recommendation of the supervising minister. While the law sets a qualification requirement for the RG, it doesn't outline an appointment or removal procedure.

- iii. In practice, do the existing tax incentives or reliefs really encourage ordinary Nigerians to engage in philanthropic giving for public benefit?<sup>19</sup> If not, what should be the extent of government involvement in regulation?
- iv. Why should the Minister of Trade (supervising minister) be the authorising body for CAC to petition for suspension of trustees, appointment of interim managers etc. for non-profits? While there is a clear nexus between businesses or for-profit corporations and the Trade Ministry, there seems to be a scant connection between the work that NGOs do and the role of the Ministry of Trade. What about the overlapping role of the Ministry of Budget and National Planning who exercise some oversight authority over development aid and foreign grants?
- v. While CAC's regulatory power over non-profits was being expanded, why was the membership of the governing board of CAC not expanded to include representatives from the non-profit sector?

## 2. NIGERIAN GOVERNMENT AND TRUST DEFICIT

It is said that trust is the foundation upon which the legitimacy of public institutions is built. While it can be argued that regulation of non-profits is not specific to Nigeria, the deep mistrust between civil society and government cannot be ignored. Nigerian NGOs still grapple to demonstrate their relevance owing to a belief in government circles that they are an alternative opposition, anti-establishment, unelected and therefore lacking legitimacy. While accountability concerns within NGOs should not be ignored, the fact that many NGOs/CSOs, both formal and informal, have stepped in to complement or assist the government in provision of services to marginalised and underserved communities across the country cannot be ignored.

The country's deteriorating human rights record, insecurity, corruption, government arbitrariness and difficulty in getting justice institutions to redress wrongs has not helped in building public trust in government mechanisms but has served to further widen the chasm between government and the governed. This is clearly reflected in civil society's attitude and response to certain government laws and policies, particularly where new and extensive powers with a potential for overreach are being proposed for agencies. Examples are seen with the response to the Social Media Bill, Hate Speech Bill, NGO Regulatory Commission Bill and Control of Infectious Disease Bill.

The new provisions governing associations under CAMA contain more stringent provisions that if not well regulated, could be subject to abuse and politicisation. One may go so far

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<sup>19</sup> The government should be encouraging charitable giving and volunteering as an explicit objective of its tax policy. In the US, majority of non-profit donations (68%) come from individuals. See: <https://www.tax-policycenter.org/briefing-book/who-benefits-deduction-charitable-contributions>

as to say that the law grants wide powers to the Executive arm of government to constrain and limit non-governmental initiatives and charitable efforts in Nigeria under the pretext of public interest. Furthermore, it can be argued that this part of CAMA was an opportunity to import provisions of the NGO Regulation Bill. This part of the new law flew under the radar of many groups and was not subject to public hearing in the National Assembly. It therefore begs the question of how such a critical law could be passed without being subject to consultations or feedback from a key sector that would be affected by it. The advertisement of the law as a breakthrough for companies on ease of doing business, without regard to the consequences for the non-profit sector says a lot about the government's priorities and attitude towards NGOs. Recent reports coming from lawyers attempting to register Incorporated Trustees with the Commission is that there is a new requirement of application for consent to the Registrar General along with a fee of N5,000 – a procedure that did not exist before and does not exist in the law.

It should be pointed out that there is a general consensus that lack of transparency and decline in trust can lead to lower rates of compliance with rules and regulations while openness and participatory inclusion are critical factors to enabling the success of laws and public policies that depend on behavioural responses from the public. A 2020 Edelman Trust Barometer which surveyed Nigeria, shows that government is the most mistrusted institution, with private sector CEOs and NGOs receiving higher trust ratings.<sup>20</sup> As long as the intentions of government remain in doubt, attempts to expand regulatory practices without corresponding government accountability will be met with public resistance.

### 3. GOING FORWARD

Many NGOs are already clamouring for amendment of Part F of CAMA due to its far-reaching implications. Churches have also condemned the law for what is seen as government inference with religious rights. In the absence of an amendment, only time will reveal the operability of the new law, but the prognosis is that it will be difficult.

As indicated earlier, apart from the CAC, registered NGOs in Nigeria have to deal with or report to other agencies who maintain some aspect of regulatory authority over its operations e.g. Economic and Financial Crimes Commission (EFCC) and Federal Inland Revenue Service (FIRS). To promote a consistent regulatory approach, some countries are adopting specific public benefit legislations to address the full range of issues affecting public benefit organisations or non-profits comprehensively and consistently. For example, the Kenyan Public Benefits Organisations Act 2013 is seen as a progressive piece of legislation for NGOs. These laws generally address the full range of regulatory issues relating to what is described as "public benefit" status, including the definition of public benefit status, the criteria for obtaining it, the benefits it entails, and the obligations it imposes.<sup>21</sup>

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20 See Guardian Newspaper Editorial: "2020 Edelman trust barometer reveals Nigerians still distrust government, place trust in CEOs." Published 24 July 2020. Available at: <https://guardian.ng/business-services/2020-edelm.an-trust-barometer-reveals-nigerians-still-distrust-government-place-trust-in-ceos/>

21 See "Public Benefit Status: A Comparative Overview." Available at: <https://www.icnl.org/resources/research/ijnl/public-benefit-status-a-comparative-overview>

While similar attempts in Nigeria to introduce specific bills on NGOs have been resisted due to its restrictive provisions, in light of the new CAMA and calls for repeal of part F, this may be the time for NGOs to expand conversations on the prospect of an independent body, set up with their input, to coordinate the affairs of the sector.<sup>22</sup> As experience has shown across jurisdictions, commissions or government bodies set up to oversee non-profits or charities can only be effective if it is free from government interference.

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22 The 2014 National Conference Report recommended the creation of a "**Civil Society Regulatory Commission (CSRC)**," to be "peopled by civil society activists and which shall be free from undue state's interference that will regulate the conduct and activities of CSOs in Nigeria." See page 119 of Conference Report available at: <https://www.premiumtimesng.com/national-conference/wp-content/uploads/National-Conference-2014-Report-August-2014-Table-of-Contents-Chapters-1-7.pdf>



Policy and Legal Advocacy Centre (PLAC)  
Plot 451 Gambo Jimeta Crescent off Nasir El-Rufai Crescent,  
Guzape District, Abuja.

Website: [www.placng.org](http://www.placng.org) \*Email: [info@placng.org](mailto:info@placng.org) \*Phone: 08091899999

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