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NCC and CAC Introduce Prior Approval Requirement for Significant Telecom Share Transfers

On 21 June 2026, the Nigerian Communications Commission (NCC) and the Corporate Affairs Commission (CAC) issued a joint press statement introducing a new regulatory requirement for changes in the shareholding and ownership structure of licensed telecommunications companies in Nigeria. Under the new directive, any proposed transfer of ownership or shares amounting to 10% or more of the total share capital of an NCC licensee, whether through a single transaction or a series of transactions, must first obtain a Letter of No Objection from the NCC before the change can be registered by the CAC.

This requirement is grounded in the provisions of the Nigerian Communications Act 2003, the Competition Practices Regulations 2007, and the Licensing Regulations 2019, all of which empower the NCC to oversee transactions that may affect competition and market stability within the telecommunications sector. This development is significant for investors, telecommunications companies, legal advisers, and corporate transaction practitioners. It introduces an additional regulatory approval layer for mergers, acquisitions, equity investments, and corporate restructuring involving telecom licensees. The measure is intended to strengthen regulatory oversight, prevent anti-competitive practices, enhance transparency in ownership structures, and promote investor confidence in Nigeria's telecommunications industry.

Why this Matter

This development is important because it fundamentally changes how significant investments, acquisitions, and ownership restructurings in Nigeria's telecommunications sector will be carried out. First, it strengthens regulatory oversight by ensuring that the NCC is aware of and can review major changes in the ownership and control of licensed telecommunications companies before such changes take effect. This helps the regulator monitor who ultimately controls critical communications infrastructure.

Second, it protects competition within the telecommunications market. By scrutinizing substantial share acquisitions, the NCC can identify and prevent transactions that may lead to market dominance, monopolistic practices, or unfair competitive advantages.

Finally, the measure reflects the growing recognition of telecommunications as a strategic sector of the economy. By requiring prior regulatory approval for significant ownership changes, the NCC and CAC aim to promote transparency, safeguard investor confidence, and ensure the long-term stability and sustainability of Nigeria's communications industry.

Who Should Pay Attention

Telecom Companies and Licensees| Investors and Shareholders| Financial Institutions | Corporate Individuals

Our Take

In practical terms, what was previously a largely corporate filing exercise at the CAC has now become a transaction that may require substantive regulatory clearance from the NCC before it can be completed. This makes regulatory due diligence more critical than ever for parties involved in telecom-sector transactions. Going forward, parties contemplating significant share acquisitions or ownership changes in licensed telecommunications companies must factor NCC approval into their transaction timelines and regulatory compliance requirements.

For further insights, detailed advice on regulatory compliance requirements, telecommunications-sector transactions, corporate restructuring, mergers and acquisitions, corporate governance, debt recovery, receivership, commercial dispute resolution, and how to structure your business to remain compliant with applicable laws and regulations, please contact us via: contact@euphemiallp.com; (+234)8083000163.

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