

# A BILL

## FOR

AN ACT TO AMEND THE COMPANIES AND ALLIED MATTERS ACT NO.3 OF 2020 TO ESTABLISH A SPECIALIZED CORPORATE COMPLIANCE UNIT WITHIN THE CAC TO MONITOR AND ENSURE ADHERENCE TO STATUTORY OBLIGATIONS; CREATE A WHISTLEBLOWER MECHANISM TO REPORT VIOLATIONS, WITH LEGAL PROTECTIONS FOR WHISTLEBLOWERS TO ENCOURAGE TRANSPARENCY; AND FOR RELATED MATTERS

*Sponsored by Hon. Olusoji Abidemi Adetunji*

[ ] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria-

- 1           **1.** The Companies and Allied Matters Act No.3 of 2020 (in this Bill
- 2 referred to as "the Principal Act") is amended as set out under this Bill.
- 3           **2.** Section 839( 1) of the Principal Act is amended by substituting
- 4 the existing sub-section "(1)" for a new sub-section "(1)"-
- 5           "(1) The Commission may by order suspend the trustees of an
- 6 association and appoint an interim manager or managers to manage the
- 7 affairs of an association where it reasonably believes that-
- 8           (a) there is evidence of gross financial misconduct, fraud, or
- 9 mismanagement in the administration of the association;
- 10           (b) there are verified allegations of actions that directly contravene
- 11 the stated objectives of the organization as contained in its constitution or
- 12 founding documents;
- 13           (c) it is necessary or desirable for the purpose of-
- 14           (i) protecting the property of the association,
- 15           (ii) securing a proper application for the property of the association
- 16 towards achieving the objects of the association, the purposes of the
- 17 association of that property or of the property coming to the association,

Amendment of the Companies and Allied Matters Act, No. 3 of 2020

Amendment of section 839 of the Principal Act

1 (iii) public interest; or  
2 (d) the organization's continued operations pose a demonstrable and  
3 immediate threat to public health, safety, or national security, as determined by  
4 a court of law."

Insertion of  
section 859A  
in the Principal  
Act

5 3. The Principal Act is amended by inserting, after the existing section  
6 859, a new section "859A"-

Whistleblower  
Mechanism,  
protection, and  
incentives

7 "859A(1) The Commission shall establish a whistle blower  
8 mechanism to enable employees, stakeholders, and the general public report  
9 violations of this Bill.

10 (2) The whistleblower mechanism shall-

11 (a) provide accessible reporting channels, including a secure online  
12 portal, email, and toll-free hotline;

13 (b) allow for anonymous reporting of violations, provided sufficient  
14 evidence is submitted; and

15 (c) ensure that all reports are investigated promptly and thoroughly by  
16 the Compliance Unit.

17 (3) The following protections shall be afforded to a whistleblower-

18 (a) a whistleblower shall not face retaliation, discrimination, or any  
19 adverse action by their employer or any other party for reporting a violation;

20 (b) any person or entity found to have retaliated against a  
21 whistleblower shall be liable to a fine of N500,000 or imprisonment for a term  
22 not exceeding 12 months, or both; and

23 (c) the Commission shall provide legal assistance to whistle blowers  
24 facing retaliation, where necessary.

25 (4) Where a reported violation results in the recovery of funds or  
26 enforcement of penalties, the whistleblower may be entitled to a reward of up  
27 to 5% of the amount recovered, subject to the discretion of the Commission.

28 (5) The Commission shall establish a Whistleblower Fund to support  
29 the administration of incentives and protections under this clause.

30 (6) The Commission shall publish an annual report summarizing

1 whistle blower cases, outcomes, and measures taken, without disclosing the  
2 identities of whistleblowers"

3           **4.** This Bill may be cited as the Companies and Allied Matters Act   Citation  
4 (Amendment) Bill, 2025.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Companies and Allied Matters Act, No.3 of 2020, to establish a specialized corporate compliance unit within the CAC to monitor and ensure adherence to statutory obligations; and create a whistleblower mechanism to report violations, with legal protections for whistleblowers to encourage transparency.