

## **AN OVERVIEW OF CORPORATE DISPUTE RESOLUTION IN NIGERIA**

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### **Abstract**

*Nigeria is an endowed nation and a profitable destination for domestic and foreign investors. The country has a robust legal system and dispute resolution system geared towards investors' protection. Nigeria's population, land mass, mineral resources and gas abundance notwithstanding, the country's economy ranks behind the economies of South Africa, Egypt and Algeria. On the global stage, Nigeria has not been able to attain its set goal of being among the twenty most developed economies in the world. This mismatch is a major source of concern for stakeholders and development scholars. Aiming for strong and resilient dispute resolution institutions that can buoy investors confidence, this article, essentially expository and deploying doctrinal methodology, interrogated the legal framework on corporate disputes resolution mechanisms in Nigeria. The Constitution of the Federal Republic of Nigeria 1999 (CFRN), Companies and Allied Matters Act, 2020, Banks and Other Financial Institutions Act, 2020 (BOFIA) and the Investments and Securities Act, 2025 (ISA) provided the primary source of data, existing literature and virtual resources provided the secondary data resource. This paper found that there are areas of improvement in the legal framework and recommended the amendment of section 6(5) CFRN to*

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*accommodate the Investments and Securities Tribunal: repeal of Part E, BOFIA on the Special Tribunal for Eligible Loans in Nigeria: and the amendment of section 352 ISA 2025 to expressly accommodate the SEC APC. The article recommended a forensic internal enquiry by the Supreme Court into the cause of delay in cases before the apex court*

**Keywords:** Dispute, Corporate Dispute, Dispute Resolution, Money Market, Capital market.

### **1.1. INTRODUCTION**

The corporate sector in every country largely caters for the production of goods and services, consumption and the creation of wealth. It is the sum total of the activities of the money market, capital market and allied institutions.

The effectiveness of a country's corporate system is a major determinant of its level of growth and economic prosperity. A country's population, resource endowment and capacity to maximize potentials are drivers of its financial system. Nigeria's population for 2025 is estimated at 237.5 million people equivalent to 2.89% of the world's population;<sup>1</sup> occupies a land mass of 923,678 square meters and situated in West Africa bordering the Gulf of Guinea, between Benin and Cameroon. The country has mineral resources and gas in abundance. These endowments notwithstanding, the Nigerian economy ranks behind the economies of South Africa, Egypt and

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<sup>1</sup> <https://www.worldometers.info/world-population/nigeria-population/> accessed 29 September 2025

Algeria<sup>2</sup>. On the global stage, Nigeria has not attained its set goal<sup>3</sup> of being among the twenty most developed economies in the world. Studies have shown a connection between effective dispute resolution, investors' confidence and economic growth<sup>4</sup>. This article, essentially expository, is inclined to strong and resilient dispute resolution institutions capable of supporting the country's quest for development. The methodology employed is doctrinal. As primary source, laws and case law on this subject are interrogated particularly, the Constitution of the Federal Republic of Nigeria 1999 (CFRN), Companies and Allied Matters Act, 2020, BOFIA and the ISA. Existing literature and virtual resources are leveraged on as secondary resource in the discourse. The discussion is undertaken under five subheadings of Introduction, Conceptual Clarification, Dispute Resolution in Nigeria's Corporate Sector, Summary of Findings and Conclusion. The keywords on which this discourse orbits are clarified under the next succeeding heading.

## **1.2. CONCEPTUAL CLARIFICATION AND THEORETICAL FOUNDATION**

Black's Law Dictionary<sup>5</sup> defines dispute as "a conflict or controversy, especially one that has given rise to a particular law suit for resolving

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<sup>2</sup> <https://africa.businessinsider.com/local/markets/10-largest-economies-in-africa-in-2024-imf/3t0flj1> access on 29 September 2025

<sup>3</sup> The Nigeria's Vision 20:2020; the Economic Recovery and Growth Plan 2017-2020 and the National Development Plan 2021-25

<sup>4</sup> Augustine Robert Agom, *Capital Market Adjudication: Judging Judicially and Judiciously*' An Inaugural Lecture Series No.02/23, Ahmadu Bello University, Zaria, delivered on Wednesday, August 30<sup>th</sup> 2023 (published by Ahmadu Bello University Press Limited, 2023)

<sup>5</sup> Bryan. A. Garner (ed), *Black's Law Dictionary* (8<sup>th</sup> edn, Thompson West, 2004)

grievances”<sup>6</sup>. The Supreme Court in *Attorney-General of the Federation v Attorney-General, Abia State & 35 Ors*<sup>7</sup> held that “dispute is synonymous with controversy, quarrel, argument, disagreement and contention...The controversy must be definite and concrete touching on legal relations of parties having adverse interests.”<sup>8</sup>

Corporate disputes are disagreements or conflicts that arise within or involving a company, usually about how the business is owned, managed or operated. They often involve legal issues and may be resolved through negotiation, mediation, arbitration or litigation. It may take the form of shareholders disputes, management disagreement, stakeholders’ controversy or failure to perfect a contractual obligation between the company and thirds parties. The conflict may be about rights responsibilities or business decisions.

‘Dispute resolution’ is the settlement of disagreement or grievance through formal process of litigation or the relatively less formal process of alternative dispute resolution. Dispute resolution is underpinned by several philosophies and strategies. Thomas-Kilmann conflict model<sup>9</sup> highlighted five conflict resolution strategies namely avoiding, competing, accommodating, compromising and collaborating. Each is a mix of

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<sup>6</sup> Ibid p.505. See also Solomon.I. Nchi, *Nigerian Law Dictionary* (First published in 1996, 3<sup>rd</sup> edn, Bar and Bench, Abuja & Greenworld Publishers, Keffi, 2010) P.561: *United States v Alaska SS 60253 US,113,116: 405Ct.448,449: 64L.ED.808*

<sup>7</sup> (2001) 7 SCNJ,1.

<sup>8</sup> Ibid, p.20 & 60.

<sup>9</sup> Thomas K.W & Kilmann, R. H. *Thomas-Kilmann Conflict Model*, Instrument. Companies & Organisations Studies, 1,247-251 References Scientific Research Publishing 1976) accessed on 26 November 2024

assertiveness and cooperativeness<sup>10</sup>. In avoiding strategy, individuals tend to sidestep or ignore conflict altogether. They may avoid expressing their own concern and also refrain from addressing the concerns of the other party. This approach is often used when the issue is deemed unimportant or when individuals want to delay dealing with the conflict. The competing strategy involves a high level of assertiveness to satisfy ones' own concern often at the expense of the other party's needs. Individuals seek to dominate or achieve their own goals without much regard for collaboration or compromise. This strategy is effective in situations where quick and decisive action is required. Accommodating strategy involves prioritising the needs and concerns of the other party over one's own. This strategy is used when an individual who values a relationship more than the issue at stake seeks to maintain harmony in a relationship. Compromising strategy aims to find a middle ground where both parties make concessions to reach a mutually acceptable solution. This strategy is useful when maintaining the relationship is important and neither party's concerns can be fully addressed without some level of sacrifice. The collaborating strategy seeks to address the concerns of disputants fully. This strategy is ideal for complex issues where both perspectives are valuable and a creative, integrative solution is possible. The most effective approach depends on the nature of the conflict, the individuals involved and the goals at stake.

This discourse gives an aerial view of the dispute resolution mechanism in Nigeria's corporate sector showcasing the immense capacity for investor protection and highlighting areas for improvement. The essence is to make Nigeria an investment destination to deliver on her development agenda and occupy her pride of place in the comity of nations. It is the quest for a

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<sup>10</sup> The University of Arizona Global Campus-uagc.edu accessed 26/11/2024 @ 11:30am

robust dispute resolution mechanism that gave birth to the multi layered dispute resolution mechanism and adjudication process in Nigeria's justice administration system.

### **1.3. CORPORATE DISPUTE RESOLUTION IN NIGERIA**

The judicial powers of the federation are vested on the superior courts of record listed under section 6(5) CFRN and such other courts as may be created by law. The Supreme Court, Court of Appeal, Federal High Court, High Courts of the Federal Capital Territory and the various States, National Industrial Court as listed in the Constitution have jurisdictions to entertain causes that may arise in the financial system particularly the money market and the capital market.

#### **1.3.1 Money Market.**

The money market refers to a collection or group of financial institutions or exchange system dealing in short term credit instruments essential to facilitate trade and production in the economy. Functionally, the money market provides the environment for operating effective monetary policy; promotes orderly flow of short-term funds; ensures the supply of the necessary means for expanding and contracting credit in the economy. Some of the notable instruments in use in the money market include treasury bills, treasury certificates, call money, commercial papers, certificates of deposits, bankers unit fund, ways and means advances; and stabilization securities. The Money market is regulated in the main by the Central Bank of Nigeria Act<sup>11</sup>, 2007 and the Banks and other Financial

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<sup>11</sup> No.29,2007 (CBN Act)

Institutions Act<sup>12</sup>, 2020. The apex institutional regulator is the Central Bank of Nigeria (CBN).

The banking sector is regulated on the tracts of conduct of business regulation and prudential regulation<sup>13</sup>. Disputes may and often do arise from issues bothering on regulatory compliance or the contractual relationship between money market institutions and stakeholders. The main institutions charged with grievance resolution in the banking sector and dispute settlement options are laid out by law.

**a. Federal High Court**

The Federal High Court of Nigeria (FHC) is traceable to the Federal Revenue Court established pursuant to the Federal Revenue Court Act<sup>14</sup> 1973. It became the FHC under the Constitution of the Federal Republic of Nigeria, 1979<sup>15</sup> and retained in the CFRN. Section 251 CFRN Constitution provides:

(1) Notwithstanding anything to the contrary contained in this constitution...the Federal High Court shall have and exercise jurisdiction to the exclusion of any other court in civil cases and matters-

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(d) connected with or pertaining to banking, banks, other financial institutions including

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<sup>12</sup> No.5 2020 (BOFIA)

<sup>13</sup> Augustine Robert Agom, *The Law on Banks and Other Financial Institutions in Nigeria* (Ahmadu Bello University Press, 2024)

<sup>14</sup> No.13,1973

<sup>15</sup> Sections 228 &230; See also the Federal High Court Decree, 1991.

any action by or against the Central Bank of Nigeria arising from banking, foreign exchange, coinage, legal tender, bills of exchange, letters of credit, promissory notes and other fiscal measures: provided that this paragraph shall not apply to any dispute between an individual customer and his bank in respect of transactions between the individual customer and the bank.

These provisions have been interpreted several times by the courts that there is no longer any ambiguity on the fora for grievance redress on issues bothering on financial institutions or the contractual transactions arising therefrom<sup>16</sup>.

The Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act<sup>17</sup>, 2004 provide for the recovery of debts owed to failed banks and for the trial of offences relating to financial malpractices in banks and other financial institutions. Section 5 of the Act vest on the FHC exclusive jurisdiction to hear and determine all matters concerning the recovery of debt owed to a failed bank. The FHC is also empowered to try the offences

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<sup>16</sup> *Bronik Motors Ltd and Anor v Wema Bank Ltd* (1985) 35 NCLR 296; *South Trust Bank v Pheranzy Gas Ltd* [2014] 16 NWLR (Pt.1432), p. 1; *Eco Bank Nig. Ltd v Anchorage Leisure Ltd* [2018] EJSC, vol. 103, 1; *Access Bank PLC v Ray Okpu* (2021) 6 NWLR (Pt. 1773) 563; *Nigerian Deposit Insurance Corporation v Okene Enterprises Ltd* (2004)10 NWLR (Pt.880) 107; *Adetayo v Ademola* [2010]15 NWLR (Pt. 1215) 169,189

<sup>17</sup> Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act Cap F2, Laws of the Federation of Nigeria, 2004.



specified in the BOFIA, the Nigerian Deposit Insurance Corporation Act,<sup>18</sup> 2023 and other offences relating to the business or operation of a bank under any enactment<sup>19</sup>.

#### **b. High Court**

Section 255 CFRN established the High Court of the Federal Capital Territory consisting of the Chief Judge and such number of judges of the High Court as may be prescribed by Act of the National Assembly. By section 257 CFRN, the High Court of the Federal Capital Territory, Abuja shall have jurisdiction to hear and determine any civil proceedings in which the existence or extent of a legal right, power, duty, liability privilege, interest obligation or claim is in issue or to hear and determine any criminal proceedings involving or relating to any penalty, forfeiture or punishment or other liability in respect of an offence committed by any person.

The High Courts of the States are established by section 270 CFRN and conferred similar jurisdiction.<sup>20</sup> The otherwise unlimited jurisdiction of the High Court is circumscribed by the express provisions of the CFRN to specific matters or parties<sup>21</sup> exclusively reserved for the FHC.

There is no gainsaying the fact that FHC and the High Courts of the States in the federation are disposed to entertain business or corporate disputes.

#### **c. National Industrial Court of Nigeria**

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<sup>18</sup>Nigerian Deposit Insurance Corporation Act, No.33, Laws of the Federation of Nigeria, 2023, s 79(3)

<sup>19</sup> Failed Banks (Recovery of Debts) and Financial Malpractices in Banks Act, Cap F2, Laws of the Federation of Nigeria, 2004.

<sup>20</sup> CFRN Section 272

<sup>21</sup>*NEPA v Edegbero & Ors* (2002) LPELR 1957 SC *Felix Onuorah v K.R.P.C Ltd* (2005) 6 NWLR (Pt.921)393

The establishment of the National Industrial Court of Nigeria (NICN) is traceable to the Trade Dispute Decree<sup>22</sup>1976 and the National Industrial Court Act, 2006. The Constitution of the Federal Republic of Nigeria (Third Alteration) Amendment Act, 2010 enhanced the jurisdiction of the court in labour matters and established it as a superior court of record. In labour related disputes as may arise in the course of foreign direct investment, the proper venue for litigation is the NICN. The Court has exclusive jurisdiction in civil causes and matters relating to labour, trade union and industrial relations; environment and conditions of work, health, safety and welfare of labour, and matters incidental thereto; and relating to the grant of any order to restrain any person or body from taking part in any strike, lockout or any industrial action, or any conduct in contemplation or in furtherance of a strike, lock-out or any industrial action. The Court is vested with exclusive jurisdiction to determine any question as to the interpretation of any collective agreement, any award in respect of a labour dispute or terms of settlement of any labour dispute. The court shall, in exercising its jurisdiction have due regard to good or international best practice in labour or industrial relations<sup>23</sup>. Appeals from the decisions of the NICN lie to the Court of Appeal and now to the Supreme Court respectively. In the cases of *Local Government Service Commission Ekiti State & Anor v M.A.Jegade*<sup>24</sup>, *Coca-Cola (Nig) Ltd v Akinsanya*<sup>25</sup> and *Ogunbawo v Obafemi Awolowo University*<sup>26</sup> the Court of Appeal held there was no right of appeal as of right against the judgment of the NICN except on fundamental rights issues only. In *Skye Bank v Anaemen Iwu*<sup>27</sup>, the Supreme

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<sup>22</sup> No.7, 1976

<sup>23</sup> National Industrial Court Act, No.38, 2006, section 7.

<sup>24</sup> (2013) LPELR 21131

<sup>25</sup> (2013) 18 NWLR(Pt.1386) 225

<sup>26</sup> (2016) LPELR 40291

<sup>27</sup> (2017) LPELR 42595

Court liberalised the right of appeal from the decisions of the Court of Appeal and to the Supreme Court. Any dispute arising from pension administration may be referred to the Pension Commission for review, arbitration and conciliation or to the National Industrial Court<sup>28</sup>.

**d. Special Tribunal for the Enforcement and Recovery of Eligible Loans**

The Banks and other Financial Institutions Act, 2020 added another feature to the dispute resolution framework of the financial industry in Nigeria by the establishment of the Special Tribunal for the Enforcement and Recovery of Eligible Loans<sup>29</sup> (STEREL). The Central Bank of Nigeria sees a window of opportunity in expeditious determination of banking matters by the establishment of this tribunal.<sup>30</sup>

Section 102 established the STEREL to exercise jurisdiction throughout Nigeria on any cause pertaining to enforcement and recovery of eligible loans or connected with the enforcement of security or guarantee or attachment of any asset under an eligible loan made by any bank, specialised bank or other financial institutions in Nigeria to its customers. Eligible loan, is interpreted in the Act to mean any credit facility, overdraft, loan, risk asset to the tune of at least twenty-five million naira or such other

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<sup>28</sup> Pension Reform Act, 2014, section 107.

<sup>29</sup> BOFIA 2020, section 102(1)

<sup>30</sup> ‘CBN engages CJN on Special Tribunal for Loan Recovery’ financial disputes Vanguardngr.com access 4/11/2024 10:50am. “The CBN Governor told CJN and other senior judicial officers at the judges Workshop on Recent Reforms of the Banking and Financial Services Sector in Nigeria, in Abuja that the Tribunal was introduced in the Act to accelerate credit recovery processes and enforcement of collateral rights....supervisory observance indicates that recalcitrant debtors have exploited the non-prioritization of credit recovery matters in the Nigerian Judicial system to frustrate debt recovery efforts by financial institutions”

amount as may be prescribed by the CBN which repayment obligation has become due for not less than ninety days and has been designated by an instrument under the hand of the Central Bank Governor as being eligible for enforcement and recovery before the Tribunal.

Any proceeding before the Tribunal is deemed to be judicial proceeding and the Tribunal is deemed to be a civil court for all purposes<sup>31</sup>. The judgment of the Tribunal shall be enforced as judgment of the Federal High Court, High Court of the FCT and State High Court upon registration of such judgment with the Chief Registrar of the Federal High Court, High Court of the FCT or High Court of a State. Any person dissatisfied with the decision of the Tribunal may appeal to the Court of Appeal and the Supreme Court<sup>32</sup> which shall hear and determine all such appeals expeditiously.

Some aspects of the Tribunal give cause for concern. By section 115 (2) BOFIA 2020, the jurisdiction of the Tribunal is shared with the Federal High Court, State High Court and the High Court of the FCT in pending matters before the courts on the commencement of the Act. The Act is mute on new cause of action after the commencement of this Act. If the Act intended to vest exclusive jurisdiction on the Tribunal on any matter, it should plainly provide for such; and any such attempt on the subject of banking would contend with the provision of section 251 CFRN and section 1(3) CFRN. It appears that the provision intends to surreptitiously confer exclusive jurisdiction on the Tribunal. The entire provision is very untidy and will only occasion confusion and unnecessary litigation.

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<sup>31</sup> Section 122(4)

<sup>32</sup> Section 127

### **1.3.2 Capital Market**

The capital market, on the other hand is the market for medium and long tenured funds. The market promotes financial stability through a variety of instruments such as equities, bonds, assets backed securities, ethical securities, derivatives, collective investments schemes and digital assets that enable economic agents to effectively mobilise and efficiently allocate funds to best uses and thereby ensures systemic stability. The Capital market is regulated, in the main by the Investments and Securities Act<sup>33</sup>, 2025 and supervised by the Securities and Exchange Commission (SEC). Disagreements in the capital market could emanate from the failure to execute client's mandate, unauthorized disposal of clients' shares, fraudulent diversion or misappropriation of sales proceeds, failure of stockbrokers to execute clients' mandate, unauthorized use of clients' funds, insider trading, unauthorized fee charges, failure to remit dividend or return monies, cloning of securities, fraudulent investments schemes and regulators' highhandedness to mention a few of the reasons for disagreement. Disputes in the Nigerian capital market are mainly resolved by the Self-Regulatory Organisations (SROs), Securities and Exchange Commission, Administrative Proceedings Committee of the SEC, Investments and Securities Tribunal and the Appellate courts. Of all of these, the three prominent ones are considered hereunder.

#### **i. The SEC Administrative Proceedings Committee**

The Administrative Proceedings Committee (APC) is modeled after the Administrative Hearing Committee of the US SEC and the Financial

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<sup>33</sup> No.2 2025 (ISA)

Services Authority Regulatory Decisions Committee in the UK.<sup>34</sup> By section 352 ISA the Securities and Exchange Commission may appoint one or more committee to carry out, on its behalf such of its functions as the commission may determine. Amplifying this section, the SEC Rules and Regulations 2013 Rule 599 states:

Pursuant to Section 310 [ISA 2007 now section 352 ISA 2025] of the Act, there is hereby established an administrative body to be known as the Administrative Proceedings Committee(the Committee) for the purpose of hearing capital market operators and institutions in the market who are perceived to have violated or have actually violated or threatened to violate the provisions of the Act and the rules and regulations made there under and such operators or persons against whom complaints/allegations have been made to the commission.

The Committee is comprised of SEC Commissioners, heads of departments in the operations, legal and enforcement directorates of the SEC. Representatives of trade groups and self-regulatory organizations such as Capital Market Solicitors Association, Association of Issuing Houses of Nigeria, Chartered Institute of Stockbrokers, Association of Corporate Trustees, Institute of Capital Market Registrars, Nigerian Stock Exchange, Central Securities Clearing System Ltd are invited as observers and call to assist with expertise where necessary. The rules of procedure of the committee are contained in Schedule VIII to the SEC rules and regulations 2013.

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<sup>34</sup> Agom A 'Dispute Resolution in the Nigerian Capital Market: An Examination of the Role of the Administrative Proceedings Committee' *The Gravitas Review of Business & Property Law*, (2017) Vol 8, No.4, 80.

The openness of the proceedings and the presence of financial market experts enable incisive and clinical consideration of disputes and fair ventilation of the parties' cases. In so many of the cases, disputants showed remorse and willingness to retribute. The dispute resolution process very often seeks to mend broken relationships without compromising the need for discipline in the market place. Even where parties have agreed to amicably resolve their disputes, the Committee's decision would often contain a reprimand against any action that tends to impair investors' confidence in the system. There is hardly any room for use of technicality to obstruct the cause of justice. This explains why very few cases proceed from the APC to the IST and the regular courts.

The Administrative Proceedings Committee has proved to be a vital tool in the enforcement of capital market laws and regulations and for dealing with malpractices in the market. In its years of existence the APC has dealt with disputes and violations bordering on fraudulent sale of client's securities<sup>35</sup>, non-purchase/lodgment of securities paid for by investors<sup>36</sup>, on failure of an underwriter to honour its underwriting obligation to the issuer of securities<sup>37</sup>, on non-compliance with the minimum paid up capital requirements for operating in the capital market<sup>38</sup>, cloning of shares certificates<sup>39</sup>, non-utilization of offer proceeds other than as disclosed in the prospectus<sup>40</sup> Non-refund of application monies, multiple application in a public offer, offering

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<sup>35</sup> *SEC v Prudential Securities Ltd (APC/2-9/2001*

<sup>36</sup> *Dr. Bamingo v Fidelity Finance Ltd, (APC/2/2003)*

<sup>37</sup> *ENPEE v Nigerian American Merchant Bank Ltd APC/13/2001*

<sup>38</sup> *SEC v Molten Trust Ltd APC/19/2001*

<sup>39</sup> *SEC v Bonkolans Ltd. & Ors, APC/21/2002; SEC v UAC Plc. & Ors APC/4/2003*

<sup>40</sup> *SEC v Royal Exchange Assurance Plc APC/40/2001; SEC v Cadbury Nigeria Plc. APC/1/2003*

of unregistered security to the public and concealment of material facts in the prospectus<sup>41</sup>.

The APC has outlived<sup>42</sup> its two major criticisms of being a judge in its cause<sup>43</sup> and daring to preside over criminal matters, not being a court of law<sup>44</sup>. The weakness of the APC is in its ad-hoc nature. As a committee of SEC, it sits for business at the convenience of the SEC.

## **ii. Investments and Securities Tribunal**

'The Investments and Securities Tribunal' is a dedicated specialized and fast track civil court for the resolution of disputes arising from investments and securities transaction in an accessible, flexible and cost effective, as well as efficient and transparent manner. The establishment, jurisdiction, authority and procedure of the Investments and Securities Tribunal are set under Part XVII, ISA, 2025.

The Tribunal consists of twelve members appointed by the Minister of Finance, one of whom shall be the chairman<sup>45</sup>. The chairman is a legal practitioner of not less than fifteen years post call with cognate experience in corporate matters. Of the five other full-time members of the tribunal, four are legal practitioners of not less than ten years post call experience knowledgeable in capital market matters. These members shall devote their time to issues relating to adjudication and shall not exercise any

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<sup>41</sup> *SEC v AP Plc APC/22/2002*

<sup>42</sup> *Olubunmi Oladapo Oni v APC SEC* (2014) 13 NWLR (Pt.1424) 334,

<sup>43</sup> *Christopher Okeke v SEC & 2 Ors* [2013] ALL FWLR 731

<sup>44</sup> *Ibid.*

<sup>45</sup> ISA, 315 (a).



administrative functions. Six other part-time members are persons of proven ability and expertise in corporate and capital market matters<sup>46</sup>.

By ISA section 326, reinforced by section 335, the Tribunal shall have exclusive jurisdiction to adjudicate on disputes arising from investments and securities transactions in Nigeria. The Tribunal shall exercise exclusive original and appellate jurisdiction on capital market disputes in Nigeria.

Proceedings before the Tribunal shall be deemed to be judicial proceedings and the Tribunal shall be deemed to be a civil Court for all purposes<sup>47</sup>. The Tribunal shall conduct its proceedings in such manners as to avoid undue delays and shall dispose of any matter before it within three months from the date of commencement of the hearing of the substantive action provided that no judgment shall be rendered void by virtue of a delay except where it is established that the delay occasioned a miscarriage of justice.<sup>48</sup>

There is no gainsaying the fact that the emergence of the IST has altered the landscape of corporate dispute resolution in Nigeria's capital market. In its years of existence, the Tribunal has delivered some landmark decisions on investment protection<sup>49</sup> and deepened the jurisprudence on the Nigerian Capital Market.

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<sup>46</sup> ISA, Section 315(a)(b)(c)

<sup>47</sup> ISA, Section 332(3).

<sup>48</sup> ISA, section 331(5)

<sup>49</sup> *Blue Chip Acquisition v Zenith Bank PLC & 3 Ors* (2005)3 ISLR, p. 72: *CSCS v SEC* (2004)1 NISLR P.39

The exclusive jurisdiction of the Tribunal which was a source of conflict between the Tribunal and the Federal High Court<sup>50</sup> has now been resolved in favour of the Tribunal by the Supreme Court in the case of *Mufutau Ajayi v SEC*<sup>51</sup>. Similarly, in the case of *Hon. Thelma Osammor v IST & 3 Ors*<sup>52</sup> the National Industrial Court held that the IST is a civil court and interference with the secured tenure of its members was null and void. With these decisions, investors in Nigeria can now heave a sigh of relief as disputes in the capital market will now receive fair and speedy determination at the IST.

### **1.3.3. Corporate Affairs Commission Administrative Proceedings Committee**

Under Part G CAMA, 2020 the Corporate Affairs Commission (CAC) is empowered to establish an Administrative Proceedings Committee (APC) to provide the opportunity of being heard for persons alleged to have contravened the provisions of the Act or the Companies regulations; resolve disputes or grievances arising from the operations of the CAMA or its regulations; and impose administrative penalties for contravention of the provisions of the Act or the Companies regulations<sup>53</sup>.

The membership of the Committee comprises the Registrar-General of the CAC who shall be the Chairman, five representatives from the operational departments of the Commission, not below the grade level of a director, one

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<sup>50</sup> *SEC v Professor A.B. Kasunmu SAN* (2009) 10 NWLR (Pt.1150) p.509; *Muftau Ajayi v SEC* (2009) 13 NWLR (Pt1157)1

<sup>51</sup> SC.314/2007 delivered on the 13/1/2023: Austin Agom 'Clarity on the Appropriate Forum for Investment Dispute Resolution in Nigeria' *Businessday Newspaper* (Nigeria13 April 2023) 1

<sup>52</sup> NICN/EN/13/2018

<sup>53</sup> CAMA section 851(4)

of whom shall be from the Compliance Department of the Commission; and a representative of the Federal Ministry of Industry, Trade and Investment not below the grade level of a director. The Committee is at liberty to co-opt persons, at any of its meetings, as observers, representatives of relevant associations, including associations of shareholders, registrars or trustees, as are considered necessary.

The Administrative Committee shall regulate its proceedings. Decisions of the Administrative Committee are subject to confirmation by the governing board<sup>54</sup> of the Corporate Affairs Commission. Parties dissatisfied with decisions of the Administrative may appeal to the Federal High Court.<sup>55</sup>

The procedure at the APC is lucidly laid out in Regulation 38- 45 of the Companies Regulation 2021. The proceedings of the Committee may be conducted virtually where the circumstances so demand<sup>56</sup>. In considering a matter, the APC shall be guided in the conduct of its proceedings by the principles of fair hearing, equity and natural justice<sup>57</sup>. The Committee shall within 30 days of determining a matter make its decision and reasons for it available to the public<sup>58</sup>.

The debut of the CAC APC is additional window for the ventilation of disputes in the Nigeria’s corporate scene. To strengthen this institution, there is need for caution on the jurisdiction of the Committee. The matters for which reference may be made to the APC are matters “arising from the

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<sup>54</sup> Ibid section 851(11)

<sup>55</sup> Ibid section 851(12)

<sup>56</sup> Company Regulations 2021 Regulation 44

<sup>57</sup> Company Regulations 2021, Regulation 45

<sup>58</sup> CAMA sections 857 & 858

operation of the Companies and Allied Matters Act or any other enactment regulating the operation of companies”; a subject assigned to the FHC under section 251(1)(e) CFRN. Useful lessons to navigate around this slippery jurisdiction terrain may be gleaned from the trajectory of the SEC APC which has been in existence for over three decades and weathered similar challenges.

### **1.3.4 Alternate Dispute Resolution**

Alternative dispute resolution is an effective window for amicable settlement of grievances outside the formal and conventional litigation processes. The tools of arbitration, mediation and conciliation and their variants are handmaidens of Alternate Dispute Resolution (ADR). These can be deployed in corporate dispute management processes in Nigeria. The ADR system in Nigeria admits of walk in by disputants or court referred disputes to the centers. Resorting to ADR in appropriate cases can be quite useful. The formal courts now have ADR facilities embedded in their systems. The Arbitration and Mediation Act, 2023<sup>59</sup> provides a unified legal framework for fair and efficient settlement of commercial disputes by arbitration and mediation. It makes applicable, the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) to any award made in Nigeria or in any contracting state arising out of international commercial arbitration. Disputes arising in the administration of pension are subject to arbitration.<sup>60</sup>

## **1.4. Summary of Findings**

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<sup>59</sup> Repealed the Arbitration and Conciliation Act, CAP A18, Laws of Federation of Nigeria, 2004

<sup>60</sup> Pension Reform Act 2014, section 107

The main challenge with corporate dispute resolution in Nigeria is inordinate delays in the courts especially at the appellate levels.<sup>61</sup> In the case of *Unity Bank PLC v Rhour & Lue (Nig) Ltd*<sup>62</sup> The case for recovery of bank facility of N19million lasted 3 years in the High Court of the FCT, 2 years in the Court of Appeal and resided in the Supreme Court for 18 years. Not done after 23 years, the determination on the claim for compound interest by the bank was remitted to the High Court for fresh hearing.

An assessment of the monetary value of this judgment to the bank is revealing. The average naira exchange rate for US \$1 in November 2002 when the case was instituted in the High Court of the FCT was ₦126.81<sup>63</sup>. In 2005, \$1 hovered between N132-N136. In 2007, \$1=N120-N125.<sup>64</sup> In 2025, the rate had escalated to \$1=N1, 477.00.<sup>65</sup> ₦19million in 2002 was equivalent to \$149,606.299. In 2025, the ₦19 million was only worth \$12,863.9133. Such is the loss of value in the asset for the Judgment Creditor (Unity Bank PLC) owing to effluxion of time.

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<sup>61</sup> *Unijoy Paper Products Ltd v NDIC & Anor*(2022) 10 NWLR (Pt.1839) 567 lasted 9 years in the Supreme Court: *Mufutau Ajayi v SEC* (Suit No SC.314/2007 delivered on the 13/1/2023) lasted 16 years in the Supreme Court.

<sup>62</sup> [2025]9 NWLR(Pt.1994) 1

<sup>63</sup> J.O.Sanusì “Central Bank of Nigeria Press briefing on Macro Economic Developments in the year 2002 and assessment of the Small and Medium Industries Equity Investment Scheme (SMIEIS)” 17<sup>th</sup> December, 2002 <https://www.cbn.ng> accessed on the 8/10/2025 @ 12:04pm

<sup>64</sup> Naira to Dollar Exchange Rate History (1972-2022) –Politics-Nigeria <https://share.google/3iygDqAVXDoSiRcTe> accessed on 8/10/2025 @ 12.12pm

<sup>65</sup> Exchange Rates/Central Bank of Nigeria <https://share.google/dbZOOUNZDVP4UfGm> accessed On 8/10/2025 @ 12:23pm

An investment can hardly thrive with this kind of erosion in its assets. In this case the asset had not only become burdensome for the bank but indeed ruinous. This unhealthy situation prompts desperate measures and knee-jerk solutions. The Courts have warned that securities agencies are not debt collectors and must not be used to enforce the recovery of private debts.<sup>66</sup> The Special Tribunal for the Enforcement and Recovery of Eligible was established as a solution to the delays in the regular courts. Systemic failure occasioned by absence of timeous relief to litigant, bureaucratic bottlenecks and corruption<sup>67</sup> is a source of concern for judicial reform in Nigeria. The frontloading system of filing court processes, the walk-in or court referred Multi-door Court house option<sup>68</sup>, and the debut of the National Industrial Court<sup>69</sup> have been advanced to remedy the situation but with very little results.

When cases drag on for too long, evidence can be lost, witness memories may fade and litigant may no longer have the means or stamina to pursue the course of that cause to its logical conclusion. These occasions emotional and financial strain on litigants, loss of public confidence and violate the right to fair hearing. The causes of delay in the judicial system are varied. They include case overload, shortage of judges and judiciary staff, absence

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<sup>66</sup> *Mclaren v Jennings* (2003) FWLR (Pt.154)528; *Kure v COP* [2020] EJSC, Vol.136,1,29-30 “The police is not a debt recovery agency and has no business to dabble into contractual disputes between parties arising from purely civil transaction”

<sup>67</sup> Dele Farotimi (2024) *Nigeria and its Criminal Justice System*, Dele Farotimi Publishers, 2024) P.ix-xi

<sup>68</sup> Hon.Justice Olasumbo O. Goodluck (2010) ‘Administration of Justice Abuja Multi-Door Courthouse’ in Austin Agom & Paul Onuh Igoche (eds) *Ogebe and the Law Legal Essays in Honour of Justice James Ogenyi Ogebe OFR,CON, Honourable Justice of the Supreme Court of Nigeria* (Department of Commercial Law, Ahmadu Bello University,2010)

<sup>69</sup> Constitution of the Federal Republic of Nigeria, 1999, Third Alteration (2010)

of or dysfunctional infrastructure, bureaucratic redtapism, bad case management system, multiplicity of appeals, corruption, tardiness and dereliction of duties by the bar and the bench.

This paper finds that there are areas that can be improved upon to enhance the capacities of the institutions to deliver on their primary mandate of effective and efficient dispute resolution. The need for inclusiveness in the CFRN can never be over emphasis to assert the jurisdiction of the IST beyond any doubt. It is also the finding of this research that the establishment of the STEREL under the BOFIA would throw up jurisdictional conflict with the FHC and exacerbate the problem of delay in the recovery of credit in Nigeria. Three landmark cases by the Supreme Court revealed the injustice occasioned by the inordinate delays in the determination of the cases.

### **1.5. Conclusion**

Nigeria is an endowed nation and huge investment market for domestic and foreign investors. The country has a robust legal system and dispute resolution system geared towards investors' protection. There is need for reforms to enhance the capacities of the institutions to deliver on their primary mandate of effective and efficient dispute resolution. It is recommended that section 6(5) CFRN 1999 be amended to accommodate the IST as a superior court of record. This paper advocates for the repeal of Part E, BOFIA on the Special Tribunal for Eligible Loans in Nigeria. It is further recommended that section 352 ISA 2025 be amended to accommodate the SEC APC as a standing Committee of the SEC. The Supreme Court should constitute an internal enquiry into the immediate and longtime causes of delays in matter before the court. These recommendations will no doubt strengthen the existing grievance redress

system in the Nigeria's corporate sector and enable the country meet its developments goals and find citation as one of the world's frontline economies.