



# From Four Walls To No Walls: Nigeria's Public Companies Go Virtual

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# Introduction

Nigeria's corporate landscape is experiencing a fundamental shift, marked by the formal adoption of virtual general meetings (VGMs) for public companies. This development signifies not just a response to global disruptions, but a deliberate move toward more agile, inclusive, and tech-enabled governance models. What began as an emergency workaround during the COVID-19 pandemic has evolved into a permanent and legally backed mode of convening corporate meetings.

This paradigm shift was initially codified in the Companies and Allied Matters Act (CAMA) 2020, which cautiously permitted only private companies to hold electronic general meetings. That restriction created a legal and practical gap for public companies, many of which found themselves unable to meet statutory obligations when physical meetings became unsafe or logistically impossible during the pandemic.

Today, Nigeria has closed that gap. Through a series of legislative reforms under the Business Facilitation (Miscellaneous Provisions) Act (BFA) 2022, public companies have been empowered to conduct general meetings via digital platforms. The adoption of VGMs reflects a larger movement toward governance structures that are more resilient, transparent, and globally competitive.

Several Nigerian companies have already demonstrated what this new era can look like. MTN Nigeria, GTCO, and Access Holdings have all implemented hybrid AGMs, utilising electronic voting systems and virtual participation to broaden engagement and improve governance outcomes. These examples serve as templates for others to follow, proving that with the right preparation, the transition is not only possible, but also beneficial.

## Global Context and Nigeria's Alignment

Nigeria's legal evolution is not taking place in isolation. Around the world, corporate legal systems have embraced virtual meetings as part of modern governance.

- i) In the **United States**, the Securities and Exchange Commission (SEC) permits virtual-only shareholder meetings provided that state law and the company's bylaws allow it.
- ii) **South Africa's** Companies Act explicitly allows shareholders to participate electronically in meetings.
- iii) In **India**, listed companies were even mandated to hold virtual meetings during the pandemic, showing a strong institutional endorsement for the format.

By aligning with these global practices, Nigeria signals its intention to maintain a competitive, investor-friendly environment.



It also allows Nigerian firms to compete more effectively on the international stage, where the ability to hold seamless and secure virtual meetings is increasingly considered a best practice.

## The Traditional Format and its Limitations

Before these reforms, public companies in Nigeria were bound by a rigid and dated set of procedural requirements:

**i) Venue Requirement:** Section 240 of CAMA 2020 required companies to designate a physical location for the meeting. All general meetings had to be held in-person at designated venues.

**ii) Notice Periods:** Under Section 241, a minimum of 21 days' notice must be given to all members, specifying the time, venue, and agenda of the meeting.

**iii) Service of Notice:** Prior to the BFA 2022, Section 244 limited notice delivery to physical means or electronic mail (if permitted), with no allowance for modern messaging applications. Notices were either hand-delivered or, at best, sent via electronic mail in some cases.

**iv) Voting Procedure:** Section 248 provided that resolutions are passed by show of hands, with a poll available only if demanded. Voting had to take place physically and in person, and occurred by a show of hands or by physical poll, often excluding shareholders who could not attend in person.

**v) Attendance & Quorum:** Physical presence was a requirement, with quorum thresholds defined by company Articles and CAMA's minimum provisions.

While once suitable for the corporate structure of the past, these practices became increasingly incompatible with today's digitally interconnected business world. Shareholders spread across multiple jurisdictions were often unable to participate effectively, and companies faced logistical and financial burdens in organising physical meetings.

## What BFA Has Introduced: The Legislative Reforms

### Virtual Meetings for Public Companies

Section 11 of the BFA amended Section 240(2) of CAMA by expanding the provisions on electronic meetings to include public companies.

This was done by removing the word “private” that was previously included under CAMA, thereby extending the right to hold electronic general meetings to public companies, provided such meetings comply with their Articles of Association.

The implication is that public companies listed on the Nigerian Exchange can legally convene Annual General Meetings (AGMs) and Extra-Ordinary General Meetings (EGMs) through virtual or hybrid general meetings via platforms like Zoom, Microsoft Teams, Google Meet, or Webex.

### **Electronic Service of Notice**

Section 12 of the BFA amended Section 244 of CAMA by expanding the means of serving meeting notices. With the introduction of the BFA, notices for meetings can be sent physically, by post, or via electronic mail (this however excludes messaging apps and secured company portals). After the amendment, companies can now send notices using a wider array of electronic channels, including SMS, WhatsApp, Mobile applications or secure web portals. This has enhanced accessibility and efficiency in shareholder communication, with broader, faster communication options that also reduce cost.

### **Electronic Voting**

Section 13 of the BFA amended Section 248 of CAMA by the introduction of electronic voting. As stated above, prior to the amendment, voting occurred by show of hands or poll, however, with the introduction of the BFA, voting may now occur through online polling systems, apps, or some other appropriate platform during virtual or hybrid meetings. Electronic voting is now legally recognised as an alternative to the traditional show of hands. By implication, it enables real-time participation from shareholders regardless of location and improves transparency and auditability.

These statutory innovations position Nigeria’s corporate environment to better meet the demands of modern business and investor expectations.

## **Implementation Considerations for Companies**

For these legal reforms to be effective and of any advantage to companies, they must make certain changes to their corporate governance infrastructure and internal processes.

**i) Articles of Association:** Companies must confirm that their articles permit virtual meetings. If not, directors must propose, and shareholders must adopt amendments to reflect this new reality.



**ii) Meeting Notices:** Notices must still comply with the statutory 21-day period and include:

- date and time of the meeting
- virtual platform access details (e.g., Zoom link)
- agenda and supporting documents
- instructions for voting and technical support

**iii) Verification and Quorum:** Mechanisms must be in place to verify participants' identities and ensure that remote attendees count toward quorum.

**iv) Recording and Compliance:** All proceedings must be digitally recorded and archived. This serves as evidence for regulatory compliance and corporate governance audits.

**v) Platform Accessibility:** Choose platforms that are mobile-friendly and support local devices and bandwidth limitations.

**vi) Support for Shareholders:** Companies should establish helpdesks or tutorials to guide less tech-savvy shareholders through the process.

**vii) Data Privacy:** This is a crucial consideration in virtual shareholder meetings, as companies now handle sensitive information like identification details, proxy appointments, and voting records. To safeguard this data and maintain trust, companies must comply with the Nigeria Data Protection Act (NDPA), implement robust cybersecurity measures, appoint data protection officers, and adopt strict data retention policies. Failure to do so could lead to regulatory penalties and reputational damage.

## Operational and Strategic Benefits for Corporate Nigeria

### Improved Corporate Efficiency

No longer bound by the logistics of physical gatherings, companies can hold meetings more frequently and at lower cost. This enhances responsiveness to market developments.

### Increased Shareholder Participation

Minority shareholders, diaspora investors, and persons with mobility constraints can now attend meetings and vote from anywhere in the world.

### Strengthened Transparency and Governance

Electronic voting and digital records introduce audit trails, increasing accountability and reducing the chances of procedural manipulation.



### **Alignment with Global Trends**

From the U.S. to South Africa, virtual meetings have become the standard. Nigeria is no longer trailing behind — it is catching up swiftly.

### **Operational Efficiencies**

Eliminates the need or reduces the expenses for venue rentals, catering, security, and travel reimbursements. Reduces administrative overhead and meeting costs, and allows faster decision-making and real-time document distribution

### **Broader Stakeholder Engagement:** Enables participation from:

- Retail investors
- Diaspora shareholders
- Individuals in remote or rural areas
- Encourages diversity of opinion and wider shareholder democracy

### **Increased Transparency and Auditability:**

- Digital voting systems generate clear audit trails
- Meeting recordings ensure accuracy of records and accountability
- Reduces risk of voting manipulation or misrepresentation

### **Corporate Responsiveness:**

Meetings can be organised more frequently, improving engagement and agility.

## **Challenges to Address**

Despite the clear benefits, the shift to digital governance introduces several challenges:

**i) Digital Divide:** Many rural and elderly shareholders may lack internet access or technical skills. Without proper support, inclusivity could suffer.

**ii) Potential for Management Control:** There is concern that management could control the virtual process, potentially restricting shareholder participation or avoiding contentious issues.

**iii) Technology Infrastructure:** Dependence on third-party platforms raises questions around security, stability, and interoperability.

**iv) Regulatory Support and Oversight:** The Corporate Affairs Commission (CAC) and Nigerian Exchange (NGX) must provide:

- Updated compliance guidelines
- Dispute resolution mechanisms
- Oversight to ensure fairness and consistency across companies

# Conclusion

The evolution from boardrooms to cyber rooms is not simply a change in venue—it is a redefinition of how Nigerian companies govern. By adopting virtual meetings, Nigeria has demonstrated its readiness to embrace the tools of the future and build a corporate environment that is modern, efficient, and inclusive.

The Business Facilitation Act 2022 represents more than legislative progress—it signals a new governance philosophy rooted in participation, transparency, and digital empowerment. Companies that act early to embed these changes into their operations will enjoy not only regulatory compliance but also improved shareholder trust and global competitiveness.

As broadband access improves and digital fluency rises, the relevance of VGMs will only increase. Nigeria's legal framework has now caught up with the digital age. For forward-thinking companies, the next chapter of corporate governance has already begun.



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