



FINANCIAL REPORTING COUNCIL OF NIGERIA

PLOT 8, OTUNBA JOBI FELE WAY, CENTRAL BUSINESS DISTRICT, ALAUSA, IKEJA, LAGOS STATE
www.frcnigeria.gov.ng

PUBLIC NOTICE

FINANCIAL REPORTING COUNCIL OF NIGERIA (Amendment) ACT, 2023

The FINANCIAL REPORTING COUNCIL OF NIGERIA (Amendment) ACT 2023, which amended certain provisions in the Financial Reporting Council of Nigeria Act, No 6, 2011 was signed into law on May 3, 2023.

1. This new legislation marks a significant milestone in the ongoing efforts to promote transparency, accountability, and good governance in Nigeria's economy. It introduces several key changes to regulations and standards governing financial reporting in Nigeria which are aimed at:

- a) Strengthening the Council's enforcement powers to ensure compliance with reporting requirements.
- b) Clarifying observed ambiguities especially regarding the definition of Public Interest Entities.
- c) Mandating the Council to maintain a national repository for Financial Statements by public interest entities.
- d) Streamlining the membership of the Governing Board to eliminate conflicts of interest and strengthen the Council's regulatory responsibilities on financial reporting and corporate governance in Nigeria.

2. These changes are anticipated to positively impact businesses and the economy by enhancing the quality and reliability of financial reporting, improving corporate disclosures, boosting investor confidence, and fostering sustainable development.

3. Among numerous amendments, section 77 of the Financial Reporting Council of Nigeria (FRC) Act 2011 (as amended) is the revised definition of Public Interest Entities (PIEs) as follows:

"Public Interest Entities" means –

- a) governments and government organizations;
- b) listed entities on any recognised exchange in Nigeria;
- c) non-listed entities that are regulated;
- d) public limited companies;
- e) private companies that are holding companies of public or regulated entities;
- f) concession entities;
- g) privatized entities in which government retains an interest;
- h) entities engaged by any tier of government in public works with annual contract sum of N1 billion and above, and settled from public funds;
- i) licensees of government; and

j) all other entities with an annual turnover of N30 billion and above.

4. Stakeholders are encouraged to study the amended legislation for a comprehensive understanding of the changes and their far-reaching implications, as professionals and organisations will be held accountable for any violations.

5. Organisations that were hitherto not identified as "PIE" but are now covered by the amendment are required to ensure that they take steps to register with FRC immediately and fully comply with applicable standards, regulations, and rules of the Council. For the avoidance of doubt, non-listed entities that are regulated by but not limited to the following sectorial regulators: Central Bank of Nigeria, National Insurance Commission, National Pension Commission, Nigerian Upstream Regulatory Commission, Nigerian Midstream & Downstream Petroleum Authority, National Health Insurance Authority, Nigerian Communications Commission, National Broadcasting Commission, National Universities Commission, National Board of Technical Education, National Commission for Colleges of Education, Nigerian Electricity Regulatory Commission, Securities and Exchange Commission, Nigerian Civil Aviation Authority, National Agency for Food and Drug Administration and Control, National Automotive Design and Development Council, Nigeria Shippers Council, Nigeria Port Authority, Infrastructure Concession Regulatory Commission, Estate Surveyors and Valuers Registration Board of Nigeria, Nigerian Tourism Development Corporation, etc.

6. The Council will commence effective and comprehensive compliance monitoring from January 1, 2024, and will enforce its powers for any infractions.

7. To access the amended Act, visit our website at www.frcnigeria.gov.ng. For inquiries or further information, contact us through the details provided on our website.

SIGNED: DR RABIU OLOWO

Executive Secretary/Chief Executive Officer