



09 January 2025

**Key contacts**



**Emmanuel Gbahabo**  
Partner and Head,  
Investigations, White Collar, &  
Compliance and Dispute  
Resolution  
[emmanuel.gbahabo@templars-law.com](mailto:emmanuel.gbahabo@templars-law.com)



**Obehi Iyoha**  
Associate,  
Corporate & Commercial  
[obehi.iyoha@templars-law.com](mailto:obehi.iyoha@templars-law.com)

**TEMPLARS ThoughtLab**

# Analysing the whistleblowing Framework in Nigeria: Regulatory Landscape, Compliance Obligations and best Practices for Organizations

**Introduction**

Whistleblowing functions as an essential tool of corporate governance by curtailing misconduct within the workplace and strengthening organizational integrity. Whistleblowing can be defined as the act of reporting misconduct, fraudulent activities and illicit or unethical practices either internally within an organization or externally. The former occurs when a whistleblower reports the alleged violation to individuals within the relevant organization. In contrast, external disclosure involves the whistleblower reporting to third parties outside the organization, such as the media, law enforcement agencies, regulators or other relevant authorities.

In Nigeria, this practice is not novel and has been fundamental in uncovering financial crimes and advancing the country's fight against corruption. However, the lack of a comprehensive whistleblowing legislation in Nigeria, coupled with the prevalent fear of retaliation and victimization by those who disclose wrongdoing, continues to stifle the effectiveness of this practice. This article delves into the complexities of the current whistleblowing framework in Nigeria and highlights key compliance obligations for organizations, as well as best practices essential for fostering an effective whistleblowing culture.

## Internal Whistleblowing Framework



### Whistleblowing

*the lack of a comprehensive whistleblowing legislation in Nigeria, coupled with the prevalent fear of retaliation and victimization by those who disclose wrongdoing, continues to stifle the effectiveness of this practice.*

In practice, most whistleblowers initially report suspected wrongdoing internally within the workplace, as organizations are often best positioned to address misconduct within their remit. However, where individuals feel unsafe speaking up internally or believe that there are no clear mechanisms or procedures for reporting concerns effectively, they may turn to external parties or even make a public disclosure. This often leads to significant consequences, including operational disruptions and lasting reputational damage.

As such, to mitigate these risks, it is pertinent for organizations to establish and implement secure and effective channels for receiving and addressing such reports of misconduct or wrongdoing, along with protection for whistleblowers. A critical starting point in this process is the organization's whistleblowing policy, which serves as a cornerstone for compliance and governance. The subsequent paragraphs highlight key considerations for organizations in this regard, as well as other compliance obligations and best practices to be implemented towards promoting an effective whistleblowing culture.



- a) **Whistleblowing policy:** As earlier stated, an organization's whistleblowing policy would typically be the first recourse in determining the requisite processes and procedures for whistleblowing within the workplace, serving as a benchmark for ensuring compliance. In consideration of this, it is important that organizations establish a whistleblowing policy that is clear, concise, and easily comprehensible. This policy should clearly outline the procedures for reporting misconduct, specify the roles and responsibilities of those tasked with handling such reports and provide assurances of confidentiality and non-retaliation for whistleblowers. Furthermore, details on how reports will be managed, investigated and resolved, while emphasizing the organization's commitment to protecting whistleblowers from victimization or adverse treatment are also crucial.

In compliance with extant local laws and as a matter of best practice, organizations should ensure that its whistleblowing mechanisms are effectively communicated to employees, management, directors, other stakeholders and the public. For banks and financial institutions



## Anonymity and Confidentiality

*are cornerstones of any whistleblowing framework.*

in Nigeria, this requirement is especially pertinent under the regulatory purview of the Central Bank of Nigeria ("CBN") which further requires that these organizations disclose their whistleblowing policies on their websites.<sup>1</sup>

Moreover, developing a whistleblowing policy alone is insufficient; organizations are enjoined to conduct periodic evaluations and reviews to ensure the policy remains relevant and effective. These regular reviews and updates ensure that whistleblowing policies and procedures align with evolving legal and regulatory requirements, as well as best practices. Periodic audits and feedback mechanisms can help identify gaps or areas for improvement, ensuring that the system remains effective.

- b) **Reporting channels:** An effective internal whistleblowing framework relies heavily on the establishment of robust and accessible reporting channels. Organizations should establish internal reporting channels designed to facilitate disclosures, while ensuring that employees feel protected and supported when raising concerns. These channels may include dedicated email addresses, physical drop boxes positioned discreetly within the workplace, secure online reporting portals, or hotlines managed by independent third parties. As a matter of best practice, reporting channels should be easily accessible to all employees and stakeholders and offer options for written or verbal reporting to accommodate various preferences.



## Whistleblowing Campaigns

*Reporting channels should be well publicized through various media, such as, newsletters, website pages, codes of conduct etc., while supervisors and managers should also receive trainings on handling disclosures appropriately.*

Anonymity and confidentiality are cornerstones of any whistleblowing framework. As such, individuals should have the option to report without disclosing their identity. This is particularly crucial for addressing fears of retaliation or ostracization, which often deter employees from coming forward. Confidentiality safeguards should also be built into all channels, ensuring that the identity of the whistleblower (if disclosed) and the details of the report are protected and shared only with those directly involved in the investigation process. This is also in compliance with Nigerian laws requiring organizations such as banks, financial institutions, public companies and telecommunication companies to implement whistleblowing procedures that ensure confidentiality and a secure environment for reporting unethical behaviour.<sup>2</sup>

- c) **Dealing with disclosures:** Once a report is received via the available channels, it is best practice to acknowledge receipt of the report timeously and to provide feedback to the reporting individual as to what they can expect from the reporting process. Furthermore, organizations are enjoined to carefully manage data flow to prevent implicated parties from accessing or influencing the review process. Any person named or implicated in a report should ideally be removed from the handling and review of that report.

Other best practices include assigning an impartial person or department to follow up on reports, ensuring all reports are promptly and thoroughly investigated with appropriate corrective actions taken to reinforce the organization's commitment to ethical standards. Additionally, offering support such as counselling can help the reporting individual navigate the process during potentially challenging times.<sup>3</sup>

<sup>1</sup> Section 3.1 of the Central Bank of Nigeria (CBN) Guidelines for Whistleblowing for Banks and Other Financial Institutions in Nigeria 2014.

<sup>2</sup> CBN Guidelines for Whistleblowing for Banks and Other Financial Institution in Nigeria 2014, Code of Corporate Governance for Public Companies in Nigeria 2011 and Code of Corporate Governance for the Telecommunications Industry 2016, respectively.

<sup>3</sup> U.K.'s Whistleblowing Guidance for Employers and Code of Practice 2015.



## Whistleblowing Framework

*Nigeria is largely characterized by a fragmented and piecemeal legislative structure, without a holistic and comprehensive law governing whistleblowing and the protection of whistleblowers from reprisals and retaliation.*

- d) **Safeguards against retaliation and unfair treatment of whistleblowers**: The identity of individuals making disclosures should be protected (unless otherwise required by law) and organizations should ensure that whistleblowers are not victimized for their disclosure. This is in compliance with provisions under Nigerian laws, which prohibit the retaliation or harassment against whistleblowers. As such, training of managers and supervisors, as well as other employees on these protections is critical.
- e) **Compliance programs and awareness campaigns**: To foster an effective whistleblowing culture and as a matter of best practice, organizations are urged to facilitate compliance trainings, as well as whistleblowing awareness campaigns. This would help to reinforce the organization's whistleblowing policy and educate staff and other stakeholders about reporting procedures. Reporting channels should be well publicized through various media, such as, newsletters, website pages, codes of conduct etc., while supervisors and managers should also receive trainings on handling disclosures appropriately.
- f) **Adhering to data protection compliance requirements**: Any processing of personal data carried out in the course of handling reports of wrongdoing must be done in accordance with Nigerian data protection laws<sup>4</sup>. Organizations are required to ensure that processing of any personal data falls within the legal basis for processing provided in the Nigeria Data Protection Act 2023. In the context of whistleblowing, possible basis for lawful processing may include consent, legal obligation or legitimate interests.

## External Whistleblowing Framework

In addition to the internal framework for whistleblowing as outlined above, individuals may report misconduct, unethical behavior, or illegal activities, to external parties outside the organization which may include the media, law enforcement agencies, regulators or other relevant authorities. The external whistleblowing framework in Nigeria is largely characterized by a fragmented and piecemeal legislative structure, without a holistic and comprehensive law governing whistleblowing and the protection of whistleblowers from reprisals and retaliation.

The present framework is based on various provisions pertaining to whistleblowing, dispersed across multiple laws, regulations, and policies. Some of these legislations and key provisions therein are outlined as follows:

### a) **The Whistleblowing Policy 2016 (the "Policy")**

The Policy was developed by the Federal Ministry of Finance (the "FMF") and approved by the Federal Executive Council of Nigeria in 2016,<sup>5</sup> pursuant to its general powers under the Constitution of the Federal Republic of Nigeria 1999 (as amended),<sup>6</sup> The Policy aims to encourage individuals to report matters of public concern, such as bribery, fraud, corruption and misappropriation of public funds/assets, amongst other issues, to the FMF.<sup>7</sup> It also makes provision for any member of the public to report these misconducts by initiating complaints via the FMF's [whistleblowing portal](#).

<sup>4</sup> These primarily include the Nigeria Data Protection Act 2023, the Nigeria Data Protection Regulation (NDPR) 2019 and the NDPR Implementation Framework 2020.

<sup>5</sup> See link to the publication [here](#)

<sup>6</sup> Section 5, 144(5) and 148(1) of the Constitution of the Federal Republic of Nigeria 1999 (as amended).

<sup>7</sup> Sections 2 and 3 of the Policy.

A key feature of the Policy is the reward scheme for whistleblowers which has sparked ongoing debates. As stipulated therein, a whistleblower who provides the Nigerian government with information that directly leads to the voluntary return of stolen or concealed public funds or assets may be entitled to a minimum of 2.5% and a maximum of 5.0% of the amount recovered.<sup>8</sup> In order to qualify for the reward, the whistleblower must provide the government with information it does not already have and could not otherwise obtain from any other publicly available source to the government. This trend of incentivizing whistleblowers is not novel, as can be seen across other jurisdictions. For instance, in the United Kingdom, the Competition and Markets Authority can offer financial rewards to whistleblowers of up to £250,000 (Two Hundred and Fifty Thousand Pounds) for reports of illegal cartel activity.<sup>9</sup>



## Accountability

*Individuals who knowingly provide false information are liable upon conviction to imprisonment for a maximum of 10 (ten) years and a fine of up to ₦100,000 (One Hundred Thousand Naira) (circa \$61).*

While it is argued that offering rewards could foster a culture of whistleblowing by providing an incentive for whistleblowers to speak up, especially given the risks involved, other schools of thought have raised concerns on the likelihood of false reports motivated by financial gain. However, it is our considered view that offering rewards to whistleblowers significantly outweighs the drawbacks. Whistleblowing often involves considerable risks, such as retaliation, victimization or even job loss, and financial rewards can serve as a necessary counterbalance, motivating individuals to expose wrongdoing that might otherwise go unchecked. The effectiveness of reward based whistleblowing programmes is further buttressed when examining the position in the United States (the “U.S.”), where the U.S. Securities and Exchange Commission (“SEC”) is authorized to pay out monetary awards to whistleblowers who come forward with information that leads to a SEC enforcement action, in which over \$1,000,000 (One Million United States Dollars) in sanctions is ordered.<sup>10</sup> In the month of August 2024 alone, the U.S SEC offered rewards totaling \$98,000,000 (Ninety Eight Million United States Dollars) to 2 (two) whistleblowers.<sup>11</sup> This reward scheme has proven successful, as it has been reported to have recovered more than \$8,000,000,000 (Eight Billion United States Dollars) since its inception in 2010.<sup>12</sup>

While concerns regarding false reports are valid, they can be mitigated through robust safeguards. For instance, whistleblowers should be required to provide corroborative evidence and demonstrate a reasonable belief that misconduct occurred. Additionally, imposing penalties for submitting false reports can deter malicious or baseless reports. By implementing these measures, the risk of abuse can be minimized while ensuring that genuine whistleblowers are incentivized to expose wrongdoing.

### **b) Corrupt Practices and Other Related Offences Act, 2000 (the “CP Act”)**

The CP Act contains provisions on the reporting of bribery transactions. Specifically, it mandates that any public officer who receives, is promised, or is offered gratification, as well as anyone from whom gratification is solicited or attempted to be obtained in violation of the CP Act, reports the incident as soon as possible.<sup>13</sup> This report is to be submitted to the nearest officer of the Independent Corrupt Practices Commission<sup>14</sup> or a police officer, containing the name (if known) or detailed description of the individual involved.<sup>15</sup>

<sup>8</sup> Section 14 of the Policy.

<sup>9</sup> [Blowing the whistle on cartels - GOV.UK](#)

<sup>10</sup> [SEC.gov | Whistleblower Program](#)

<sup>11</sup> [SEC.gov | Whistleblower Program](#)

<sup>12</sup> [SEC.gov | SEC Announces Enforcement Results for Fiscal Year 2024](#)

<sup>13</sup> Section 23(1) and (2) of the CP Act.

<sup>14</sup> The body responsible for the investigation and prosecution of offenders under the CP Act.

<sup>15</sup> Section 23(1) and (2) of the CP Act.



Notably, individuals who “blow the whistle” are afforded a certain level of protection under the CP Act. The identity of the individual, along with any details surrounding the provided information, remains confidential and is not to be revealed publicly by the officer who received such information, save on the orders of a court.<sup>16</sup> The CP Act does not seek to shield whistleblowers entirely and/or exempt them from accountability, as individuals who knowingly provide false information are liable upon conviction to imprisonment for a maximum of 10 (ten) years and a fine of up to N100,000 (One Hundred Thousand Naira) (circa \$61).<sup>17</sup>



## Guidelines

*The CBN Guidelines further requires banks and financial institutions to establish and publicize whistleblowing policies, by making them available on their websites.*

### c) Freedom of Information Act 2011 (the “FOI Act”)

The FOI Act is another key legislation which provides protection for whistleblowers. In this context, the protected whistleblowers specifically include public officers or agents of public institutions who disclose information in good faith, in furtherance of the fulfilment of the purposes of the FOI Act<sup>18</sup>. To elaborate, these individuals are shielded from the consequences of disclosing information relating to instances of mismanagement, significant waste of funds, fraud, abuse of authority and threats to public health and safety. This protection also extends to possible civil and criminal proceedings for disclosing such information. This is notwithstanding any provisions of the Criminal Code, Penal Code, the Official Secrets Act, or any other legislation.<sup>19</sup>

In addition to the legislation outlined above, there are a number of sector specific laws relating to whistleblowing in Nigeria. These include:

### d) The CBN Guidelines for Whistleblowing for Banks and Other Financial Institutions in Nigeria 2014 (the “CBN Guidelines”)

The CBN Guidelines apply to all financial institutions regulated by the CBN and provides for the reporting of financial or ethical misconduct of employees, directors, management and other stakeholders of banks or other financial institutions, on any acts of misconduct to appropriate authorities.<sup>20</sup> These include financial malpractice, fraud, legal or regulatory violations, criminal activities, unethical behavior, corporate governance breaches, insider abuses, non-disclosure of conflicts of interest, and any attempts to conceal such actions. Additionally, it covers actions harmful to health, safety, or the environment.<sup>21</sup>

The CBN Guidelines further requires banks and financial institutions to establish and publicize whistleblowing policies, by making them available on their websites.<sup>22</sup> The board of these organizations are responsible for implementing the policies and creating mechanisms, such as confidential hotlines and email systems, to encourage reporting of unethical or illegal activities.<sup>23</sup> Whistleblowers can report violations of banking laws, internal policies, or any concealed infractions to the organization, the CBN or other relevant authorities.



## Protection

*banks and financial institutions are prohibited from subjecting whistleblowers to any form of detriment...*

<sup>16</sup> Section 64(1) of the CP Act.

<sup>17</sup> Section 64(3) of the CP Act.

<sup>18</sup> The purposes of the FOI Act are to make public records and information more freely available, provide for public access to public records and information, protect public records and information to the extent consistent with the public interest and the protection of personal privacy.

<sup>19</sup> Section 27 (1) of the FOI Act.

<sup>20</sup> Section 1.0 of the CBN Guidelines.

<sup>21</sup> Section 2.0 of the CBN Guidelines.

<sup>22</sup> Section 3.1 of the CBN Guidelines.

<sup>23</sup> Section 3.2 of the CBN Guidelines.

In terms of protection, banks and financial institutions are prohibited from subjecting whistleblowers to any form of detriment or retaliation including dismissal, termination, or withholding benefits. If a whistle-blower suffers retaliation, they can file a complaint with the CBN or pursue legal action.<sup>24</sup>

e) **The Investments and Securities Act 2007 (the “ISA”)**

The ISA contains notable whistleblowing provisions, guaranteeing the right of an employee of a capital market operator or public company to disclose any information connected with the activities of his workplace, which indicates that a criminal offense has been or is likely to be committed. Also, whether someone has failed or is failing to meet a legal obligation and any attempt to conceal such information.<sup>25</sup> The ISA further provides for reporting channels requiring disclosures to be made in good faith to the individual's employer and where his employer fails, refuses or omits to act, to the SEC.<sup>26</sup> Laudably, employers are prohibited from subjecting an employee to any detriment<sup>27</sup> for making a disclosure and the ISA affords such individual the opportunity to present a complaint to the SEC in the event he/she is subjected to such detriment.<sup>28</sup>

Other sector specific laws on whistleblowing include the Rulebook of the Nigerian Stock Exchange 2015, Revised Code of Corporate Governance for Banks and Discount Houses in Nigeria 2014; the Code of Corporate Governance for Public Companies in Nigeria 2011 and the Whistleblowing Guidelines for Pensions 2008.

### Drawbacks of the current whistleblowing framework in Nigeria

- a) **Lack of comprehensive legislation:** A major shortcoming in Nigeria's whistleblowing framework is the absence of a cohesive and comprehensive legislation, as evidenced by the fragmented nature of the current laws earlier outlined. The consequence of this is that existing laws are often limited to specific sectors, such as the public or financial sectors, or only address particular offences or protect certain individuals, resulting in uncertainty and ambiguity. Furthermore, while the Policy brings notable developments, it is a mere governmental directive.
- b) **Limited protection for whistleblowers:** Flowing from the above, the lack of a unified, robust legal framework raises concerns regarding the adequacy of protection for whistleblowers and the need for legislation that establishes clearer safeguards, thereby incentivizing individuals to come forward with information. For instance, the protection of the identity of a whistleblower is provided for under the CP Act<sup>29</sup>, however, in the event that the identity of such individual is compromised, the law is silent on systems in place to ensure further protection.

<sup>24</sup> Section 4.6 of the CBN Guidelines.

<sup>25</sup> Section 306 (1) of the ISA.

<sup>26</sup> Section 306(3) ISA of the ISA. Additionally, an employee under the ISA may report to a third party where the failure or omission to act relates solely or mainly to the conduct of the third party other than his employer, or any other matter for which third party other than his employer has legal responsibility.

<sup>27</sup> Detriment as defined under the ISA includes dismissal, termination, redundancy, withholding of benefits and entitlements, suspension and any other act that has negative impact on the employee. See section 360(11) of the ISA.

<sup>28</sup> Section 360(5) of the ISA.

<sup>29</sup> Section 64(1) of the CP Act.

- c) **Lack of adequate public awareness:** The effectiveness of any whistleblowing framework is premised on, amongst other things, the public's awareness and understanding of the legal landscape, including procedures for making disclosures, available safeguards and remedies. In a 2021 survey published by the African Centre for Media and Information Literacy, assessing the whistleblowing policy in Nigeria, it was revealed that a number of respondents indicated that there was a lack of knowledge on the kind of information to report, reporting mechanisms, as well as the reward scheme for whistleblowers as contained in the Policy.<sup>30</sup> The need for sensitization to inform the public about the benefits of whistleblowing, reporting mechanisms and protections in place, cannot be overemphasised to foster an effective whistleblowing framework.
- d) **Gaps in implementation and enforcement:** The issue of enforceability is prominent when examining the FMF's 2016 Policy. The Policy has been instrumental in facilitating the practice of whistleblowing, particularly via the introduction of reward schemes for whistleblowers. However, without formal enactment as law by the National Assembly, the Policy lacks the full authority of the law, making it challenging to uphold its provisions in court.<sup>31</sup>

## Conclusion

The current whistleblowing framework in Nigeria is hindered by a fragmented structure and a lack of robust legal protections for whistleblowers. While various legislative measures have been implemented to support whistleblowing, significant gaps persist. An examination of more established frameworks in other jurisdictions underscores the need for a cohesive and comprehensive legal structure that uniformly addresses whistleblowing practices and the rights and protections afforded to whistleblowers. The 2016 Policy introduced by the FMF represents notable strides in this regard; however, it lacks the force of law. Thus, the enactment of a comprehensive law on whistleblowing would be a significant step in the right direction.

Organizations also play a crucial role in advancing whistleblowing practices. Establishing clear, accessible whistleblowing policies and channels, coupled with safeguards for confidentiality and non-retaliation, is essential in the drive towards developing a positive whistleblowing culture. Additionally, training programs and awareness campaigns are vital in educating stakeholders about reporting mechanisms and protection. The implementation of these whistleblowing practices also offers significant benefits to organizations, as it mitigates risks of reputational damage and operational disruptions by addressing misconduct early. Moreover, it promotes a culture of transparency, which enhances employees' trust and organizational integrity, while also ensuring compliance with extant laws on whistleblowing.

Beyond compliance, organizations that foster a culture of whistleblowing and prioritize whistleblower protections, demonstrate a commitment to ethical practices and position themselves as responsible businesses. This bolsters their standing with stakeholders and the public at large, while gaining a competitive edge in today's business environment.

<sup>30</sup> See the African Centre for Media & Information Literacy; "[Survey on five years of whistleblowing policy in Nigeria.](#)"

<sup>31</sup> See the case of the Federal Military Government v. Sani (1989) 4 NWLR (Pt. 117) 624 at 644, where the Court of Appeal held that the policy of any government which has not received the force of law cannot be the basis for punitive or protective measure.