
Institutional Framework for the Control of Companies in Nigeria: An Appraisal

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ABSTRACT

The creation of institutions by government to regulate the activities of companies is validated by the 1999 Constitution of the Federal Republic of Nigeria. Specifically, section 16(3) of the Constitution provides that: "A body shall be set up by Act of the National Assembly which shall have power: To review from time to time, the ownership and control of business enterprises operating in Nigeria and make recommendations to the president on same and to administer any law for the regulation of the ownership and control of such enterprises". On the whole, therefore, regulation of companies through the use of institutions is the process or means of overseeing, supervising and controlling externally, the activities enterprises carried out daily by their directors. Such agencies reviewed in this work include: Corporate Affairs Commission (CAC), Security and Exchange Commission (SEC), Nigerian Investment and Promotion Commission (NIPC) and the Court. Their powers and functions are outlined as stated in the Acts. The functions however had not been performed creditably which is evidenced by cases of fraud, impropriety, failure in businesses and brief case companies. It was recommended that there should be a constant review of the regulations and also the various institutions should be more firm in their supervisory roles as demanded by the law.

KEYWORDS: Institutional Framework, Control of Companies, Corporate Affairs Commission, Securities and Exchange Commission, Investment Promotion Commission and Nigeria

Introduction

The powers of the government across the globe are widespread; they pervade every sector of the economy. Accordingly, the government is saddled with the responsibility of creating institutions as a mechanism to enforce and implement laws in the interest of the citizenry. Institution has been defined¹ as a system of established and embedded social rules that structure social interaction. It could be formal or informal mechanisms that guide economic, social exchange and interaction. According to Geoffrey,² the increasing acknowledgement of the roles of institution in social life involves the recognition that much of human interaction and activity is structured by overt rule. In other words, in our perspective, business interaction vis-à-vis companies are structured through institutional mechanism and means ranging from procedure

¹ Jack Knight, 'Institutions and social conflict'. Cambridge university press. 1992 P.2

² G.M. Hodgson. 'What Are Institutions?' Journal of Economic Issues. Vol.XL No.1.2006.P.2.

for incorporation, appointment of directors, offer of shares, merger and acquisition, winding up, etc. These institutions give life to an enterprise through registration and process of licensing, and they also determine the death of such business by either de-listing or withdrawal of operational licenses³,

Despite the regulations put in place, there are episodes of cooperate scandals and improprieties bordering on financial and accounting fraud and misrepresentation, which have constantly been experienced and had invariably led to the collapse of most companies. In the United States for instance, there had been a collapse of one renowned Enron Corporation in 2001. Enron Corporation, an energy company based in Texas, U.S.A, in 15 years, grew to be 7th largest and hugely successful company with huge margin of profit at inception, but later suffered some huge losses and deficits which were mischievously concealed by its top officers, who had substantially sustained the financial condition of the company by an institutionalized, systematized and creatively planned accounting fraud, presenting a false status of the already bankrupt company to potential investors and its shareholders.⁴

Shareholders play both direct and indirect roles in a company's operations. They elect directors who appoint and supervise senior officers, including the chief executive officer and the chief financial officer. They play an indirect role through the stock market. Investors stay away from companies that cannot meet earnings expectations but invest in stocks that consistently beat expectations. Therefore, company management is under constant pressure to meet and beat sales and profit projections. Companies that generate significant free cash flow often face pressure from shareholders to return some of the surplus cash to shareholders in the form of dividends or share buybacks. Shareholders usually determine who controls a public company. A widely held company, in which there is not a single majority shareholder, is vulnerable to hostile takeover attempts. Shareholders can block such moves if they are satisfied with the current management or if they believe the offering price is insufficient. Institutional shareholders may publicly call on company management to consider strategic options, such as selling off the company or merging with another company.

Corporate organization is a structured system governed by a body of people with a common goal and an identifiable boundary delineating its function and purpose. It has a distinct and legal identity, and its own mission statement or ethos which its members and staff should adhere to as well as privileges and liabilities. A lot of large businesses become corporate organizations and spend vast amounts on developing their identity by marketing themselves under a particular logo or badge. Business corporations have limited legal liability so that in the event of a collapse, shareholders cannot lose more than their stake in the company. Corporate entities can sue and be sued based on regulations and rights that govern their operations. A corporate organization may be publicly or privately owned. In legal terms, it is treated as an individual and has to comply with human rights, health and safety legislation; it can be held responsible for contraventions of these regulations and may be convicted of offenses in its corporate name. Public corporations usually have formal corporate governance policies, such as the composition and roles of different board committees, the role of the chairman, codes of

³ Jacob O. E. "Institutional Framework for Regulation of Companies in Nigeria: A Critical Evaluation" *University of Uyo Law Journal*, Vol. 9. 2016 p. 201.

⁴ *Op. Cit.*

conduct and business ethics. Boards of directors answer to shareholders, not to management. They must provide timely and complete disclosures to shareholders. Public companies incur certain additional costs related to shareholders. These include investor communications expenses, legal and other fees related to regulatory disclosures, and the costs of hosting annual general meetings, quarterly conference calls and other investor relations events.

As corporations have become ever more active and entrenched, they have generated problems for the society though major actors in the economy of many countries. They are regarded as the factor for growth and development. Sutherland, Clinard and Yeager⁵ observed that corporations have at times engaged in criminal behavior. At other times, their actions have violated no law but have put the well-being of the public at risk. Both situations often show the inadequacy of the mechanisms through which society attempts to control corporations. The performance of corporate organizations is of interest to both the government and its citizens, hence the need for a regulation which is to ensure that these corporations do not only survive but operate in the best interest of all stakeholders including the government⁶.

In Nigeria, there are about 41 regulatory agencies that see to the wellbeing of companies, the shareholders and investors and in a lesser degree, the customers, small and medium scale enterprises and all forms of businesses⁷. These are governmental institutions established to organize through regulatory or legislative measures, the corporate sector which are largely part of, and contribute to the Nigerian economic system. There are various regulatory agencies aimed at maintaining corporate order in companies. In Nigeria, these bodies include: The Central Bank of Nigeria (CBN), The National Insurance Commission (NAICOM), The National Communication Commission (NCC), etc.

- The Corporate Affairs Commission (CAC), established under section 1 of The Companies and Allied Matters Act⁸.
- The Security and Exchange Commission (SEC), established under section 1 of the Investment and Securities Act.⁹
- The Nigerian Investment and Promotion Commission (NIPC), established pursuant to section 1 of the Nigeria Investment Promotion Commission Act¹⁰.
- The Court, established under Chapter 7 of the Constitution¹¹.

The establishment of these institutions is important because they promote a transparent and orderly business environment, protect investors, govern corporate social relations and ultimately lead to economic development of the country. According to Liewellyn,¹² 'regulatory agencies might be most effective and efficient when they have clearly defined and precisely delineated

⁵Clinard and Peter C. Yeager (2018) *Corporate Crime*. New York: Free Press.

⁶ Lia Oso and B. Semiu "the Concept practice of cooperate governance in Nigeria: the need for public relation and effective corporate communication" *Journal of communication*. Vol 3(1). 2012. P.!

⁷ <http://www.legit.ng/1217137-regulatory-bodies-nigeria-functions.html>

⁸ (section 1) CAMA Cap C20L .F .N 2010.

⁹ Act No 29 of 2007.

¹⁰ Cap N117 L F N 2010.

¹¹ 1999 Constitution of the FRN, LRN 1990. The Federal High Court under S. 249 having original jurisdiction.

¹² D.T.Llewellyn Institution structure of financial regulation and supervision: the basic issues paper presented at a world bank seminar aligning supervisory structure with country needs. 2006 P. 16.

objectives with their mandate being clear and precise.’ An in-depth look at the various episodes of administration in Nigeria will reveal the inadequacies and weaknesses of the institution in their supervision, and oversight on the part of the companies. Company law is foreign to Nigeria and it was incorporated into the Nigerian legal system through the Received English Law¹³. It has undergone numerous evolutions ranging from The Companies Ordinance, 1912, The Companies Ordinance, 1922, The Companies Act, 1968 to The Companies and Allied Matters Act, 1990, now 2004 with remarkable innovations.

Corporate Affairs Commission (CAC)

Corporate Affairs Commission (CAC) is an organization which oversees the registration and workings of companies in Nigeria¹⁴. The CAC is responsible for the implementation of the provisions of the Companies and Allied Matters Act (CAMA). CAMA is the fundamental law, which regulates businesses and the activities of companies in Nigeria (their incorporation¹⁵, registration of business names and incorporated trustees). Prior to the establishment of the Corporate Affairs Commission, the administration and regulation of companies in Nigeria was steered by the Registrar of Companies in the Corporate Affairs Division of the Ministry of Trade¹⁶. In fact, its organization and staffing were the joint responsibility of the Ministry of Trade and the Ministry of Justice. It should be noted that, despite the fact that the Company Registry was a revenue generating agency, it was however fraught with inadequacies and shortcomings as it was plagued with limited funds and other necessary facilities. It was in this light that the Nigerian Law Reform Commission embarked on a law reform programme in 1987. Upon several deliberations, the Commission came up with the view of having an independent regulatory body for effective performance of its functions. The Law Reform Commission borrowed a leaf from the practices prevalent in other countries like England and India and thus, recommended the establishment of the Corporate Affairs Commission in 1990 under section 1 of CAMA which actually began operation in 14 February 1991 at area II Garki, Abuja.¹⁷ It was the only agency of government charged with the responsibility of registration of companies, business names and incorporated trustees. The headquarters of the commission is situated in the federal Capital Territory (FCT) Abuja, and its branches established in each State of the federation¹⁸.

Function and Powers of the Commission

The duties of the Commission as set out in section 7 of the Companies and Allied Matters Act include:

1. To administer the Act, including the regulation and supervision of the formation, incorporation, management and winding up of companies;

¹³ A. A. Adekoka ‘Corporate Governance Reforms in Nigeria Challenges and Suggested solutions’ Journal of Business Systems, Governance and Ethics vol 6 No. 1 2011, p.42

¹⁴ Daily trust ‘CAC and Dorminant Companies’ at www.dailytrust.com.ng/new/editorial/cac

¹⁵ Ibid

¹⁶ J Olakunle Orojo, “Company Law and Practice in Nigeria”, Lexis Nexis Butterworths, 5th edition, p. 23.

¹⁷ see Report on the “Reform of the Nigerian Company Law”, Volume 1, p. 29-34

¹⁸ Cap C20 LFN 2010, S.I.

2. To establish and maintain company registries and offices in all the States of the Federation, suitably and adequately equipped to discharge its functions under the Act or any law in respect of which it is charged with responsibility;
3. To arrange and conduct investigations into the affairs of any company where the interests of the shareholders and the public so demand;
4. To perform such other functions as may be specified by any Act or Enactment;
5. To undertake such other activities as are necessary or expedient for giving full effect to the provisions of the Act.

Securities and Exchange Commission (SEC)

An increase in the level of economic development, coupled with the promulgation of the Nigerian Enterprise Promotion Decree in 1972, necessitated the establishment of the Capital Issue Commission [CIC] which was under the CBN as an in-house consultative and advisory body that SEC evolved from. However, challenges emerged in the capital market system which needed enhanced performance. This led to the creation of a Financial System Review Committee for the review of the capital market activities and recommendation for the establishment of the SEC¹⁹.

The commission had wider powers for regulation and development of the Nigerian capital market determining issuing process and procedure for allotment of shares. The commission became effective in January 1980 with 51 staff. Nine years after the establishment of SEC, the enabling law, (Degree no. 29 of 1979) was re-enacted as Degree no. 29 of 1988 which addressed some lapses observed in the former law and helped to promote the performance of the commission's functions. Sequel to the Seven Man Review Panel headed by Dennis Odife and carried out in 1996, a new Act, the ISA²⁰ was promulgated on May 26 1999, to promote the commission's objectives of investor protection and a more efficient and virile capital market²¹.

Section 1 of the Decree re-established the SEC with far reaching powers of regulation of the Nigeria Capital market. This Decree predesignated Act made provision for the reform, modernization and internationalization of the Nigeria Capital market²². The SEC, generally has mandate of surveillance over the exchange to forestall breaches of market rules and to deter and detect unfair manipulation and trade practices. It supervises the activities of various entities that operate on the capital market. SEC joined the International Organization of Securities Commission (IOSCO) in June 1, 1985. The SEC is a body corporate, with perpetual succession and a common seal; it may sue and be sued, and has the power to hold and acquire any property, moveable or immovable, for the purpose of its function under the Act²³.

Functions and Powers of the Commission

¹⁹ Anonymous, 'The history of capital market regulation in Nigeria: Timeline of regulatory intervention in Nigeria' retrieved at www.proshareng.com accessed.com on 20/12/2019. See also www.sec.gov.ng/ourhistory.html.

²⁰ No 45 of 1999

²¹ Ibid.

²² Dada Op.Cit at p.422.

²³ Section 1 (2) ISA 2007.

The functions and powers of the Commission are set out in section 13 of the Act; these include powers to:

- a) Regulate investment and securities business in Nigeria as defined in this Act.
- b) Register and regulate securities exchanges, capital trade point, futures, option and derivatives exchange, commodity exchange and any other recognized investment exchange.
- c) Regulate all offers of securities by public companies and entities.
- d) Register securities for companies.
- e) Render assistance as may be deemed necessary to promoters and investors wishing to establish securities exchange and capital trade point.
- f) Prepare adequate guidelines and organize training programmes and disseminate information necessary for the establishment of securities exchange and capital trade point.
- g) Register and regulate corporate and individual capital market operators as defined in this Act.
- h) Register and regulate the working of venture capital fund and collective investment schemes.

Nigerian Investment Promotion Commission (NIPC)

The NIPC is a member of the World Association of Investment Promotion Agencies (WAIPA)²⁴. The headquarters of the commission is located in the federal capital territory, Abuja.

The commission is a body corporate, with perpetual succession and a common seal and may sue and be sued in its corporate name²⁵.

Functions and Powers of the Commission²⁶

- a. The commission shall be an agency to promote, coordinate and monitor all investment activities to which the Act applies.
- b. Initiate and support measures which shall enhance the investment climax in Nigeria for both Nigerian non - Nigerian investors
- c. Promote investment in and outside through effective promotional means;

²⁴ Bello, *Op, Cit.*

²⁵ Section 1(12) NIPC Act cap N117 L.F.N 2010.

²⁶ Section 4 *ibid.*

- d. Promote, collect, analyze and disseminate information about investment opportunities and sources of investment capital, and advise on request, the availability choice suitability of partners in joint venture project
- e. Register and keep records of enterprise to which the Act applies.
- f. Identify specific project and invite interested investors for participation in those projects.
- g. Initiate, organize and participate in promotional activities such as exhibition, conference and seminar for the stimulation of investments.
- h. Maintain liaison between investors and ministries, government department and agencies, institutional lenders and other authorities concerned with investments
- i. Provide and disseminate up – to – date information on incentives available to investors
- j. Assist incoming and existing investors by providing support services.
- k. Evaluate the impact of the commission in investment in Nigeria and make appropriate recommendations.
- l. Advise the federal government on the policy matters, including fiscal measures designed to promote the industrialization of Nigeria or the general development of the economy.
- m. Participate in the negotiation of investment, promotion and protection agreement (IPPA) and
- n. Other functions as are supplementary or incidental to the attainment of the objectives of this Act.

The Court

The Federal High Court (FHC) is empowered with exclusive jurisdiction to hear matters in relation to companies. This is validated by section 251 (e) of the 1979 Constitution as stated:

“Notwithstanding, anything to the contrary contain in this constitution and in addition to such other jurisdiction as maybe conferred to upon it by an Act of the national assembly, the Federal High Court shall have an exclusive jurisdiction to the exclusion of any other court in civil cause and matters” arising from the operation of the Companies and Allied Matters Act of any enactment replacing that Act or regulating the operation of companies incorporated under the Companies and Allied Matters Act. The court can make declarations concerning rights, other specific performances or resolution, determined powers etc. The FHC was formally known as the Federal Revenue Court, which was established by the Federal Revenue Act, 1973, No 3. The Court was renamed the Federal High Court by section 228 (1) and 230 (2) of the 1979 Constitution.

Unlike the other institutional frameworks discussed earlier, the court is not a body cooperate, rather it is a judicial body with judicial powers. Established by an Act of parliament to hear disputes among companies and individuals, companies and government, companies and

companies. S. 6 (1) and (2)²⁷ of the Constitution provides that the judicial powers in Nigeria both in the State and federation shall be vested in the court. In *Bronik Motors Ltd v. Wema Bank*²⁸ the Supreme Court interpreted judicial power under the Constitution to mean the binding and authoritative decisions in matter of controversy litigated before them and to take action to enforce the decisions.

Powers and Functions of the Court

The laws that regulate companies give various supervisory roles to the court, which amongst others shall be highlighted and discussed here. The court may:

- a) Order a company to deliver a share certificate to a person entitled to have it.²⁹
- b) Order a filing of returns, delivery of notice or any other document by the company at the commission³⁰.
- c) Order a meeting of a company or of the board of directors to be called, if it is impracticable³¹.
- d) Make an order allowing the decision of a member to become binding on other members³².
- e) Appoint a receiver or a receiver manager over a company.³³
- f) Order the rectification of the registered of numbers³⁴.
- g) Order investigation of the affairs of a company by an inspector appoint by the commission³⁵.
- h) Sanction an arrangement and compromise made by a company³⁶.
- i) Disqualify a former director or officer of a company from being a director of or taking part in the management of companies for a period of ten years³⁷.
- j) Order an extension for time of delivery to the commission, any document required to be delivered³⁸.
- k) Confirm a reduction of the share Capital of a company.³⁹
- l) Make relief on the ground that the affairs of a company are being conducted in an illegal or oppressive manner.⁴⁰
- m) Conceal the alteration of a company's object.⁴¹

²⁷ Constitution of the Federal Republic of Nigeria, 1999.

²⁸ (1983) N.S.C.C. 226 at 225. See also *Muskat V. U.S* 291, 346, 361 (1911). *Senate V. Tony Momoh* (1983) 4 NCLR 269.

²⁹ CAMA, s. 146 (5).

³⁰ *Ibid*, s. 565.

³¹ *Ibid*, s. 223.

³² *Ibid*, s. 213 (2), 223, 232 (4) (5).

³³ *Ibid*, s. 389.

³⁴ *Ibid*, s. 90 (1).

³⁵ *Ibid*, s. 315.

³⁶ *Ibid*, s. 539.

³⁷ *Ibid*, s 254.

³⁸ *Ibid*,s. 46 (1), 129 (2), 312(5).

³⁹ *Ibids*, s. 107 (1).

⁴⁰ *Ibid*, s. 311 (1).

⁴¹ *Ibid*, s. 46 (1) (2).

- n) Order separate meetings of shareholders of merging companies.⁴²
- o) Prevent the acquisition of dissenting shareholders share during merger.⁴³
- p) Cancel any variation or abrogation of the right attached to any class of shares in a company.⁴⁴
- q) Sanction the issue by a company of shares at a discount.⁴⁵
- r) Order a meeting of creditors, or if the members or class of members of the company if arrangement and compromise is proposed in a company.⁴⁶
- s) Oder a company to be wound up.⁴⁷

In addition to the above, historically, the courts have played a pivotal role in the development and establishment of corporate law principles, under the common law era. They have determined corporate claims and disputes for centuries, making land mark judicial pronouncements, which have served as judicial precedents.

Evaluation of the Performance of Institutional Frameworks for Companies in Nigeria

Notwithstanding the functions and powers vested in the Corporate Affairs Commission in administering the provisions of the Act, it however has its own inadequacies which have acted as a clog in the wheel of its progress. The Registrar-General wields too much power as he is the only person who can append his signature on the Certificate of Incorporation. There is no regional autonomy as the attempt made at making registration of companies easier and faster has not been achieved as companies under Part A, B and C of the Act have to be incorporated at the Headquarters in Abuja. To this end, it makes the whole process cumbersome and not fast considering the enormity of companies all over the federation that needs to be incorporated. Beyond the rather clerical and administrative function of registering companies, the commission has failed in its regulatory and supervisory functions, for instance, it has failed to ensure the compliance by registered company with requirement to filing annual returns. Arising from its inability, the commission decided in 2005 through it registers General to delist some companies out of the 1.2 million names over failure to file annual returns⁴⁸. Delisting, though is not an effective way of sanctioning such companies is a way of aligning with the provisions of the constitution.

Furthermore, the world bank had recorded poor performances of the commission in terms of registration of business as most registered businesses only exist on paper “brief case companies” without structural and functional offices with the aim of winning a contract. Fake addresses are usually supplied to the commission as the office address at point of registration. The commission has not been able to properly check these issues in other to limit fraudulent activities by ill-motivated businessmen by way of enforcement and monitoring.

⁴² ISA, s. 121 (4).

⁴³ ISA, s. 128.

⁴⁴ CAMA, s. 142 (2).

⁴⁵ Ibid s. 121 (2).

⁴⁶ Ibiid, s. 539.

⁴⁷ Ibid, s. 408.

⁴⁸ Cap C20 LFN 2010.

In relation to the Securities and Exchange Commission, there have been proven instances that SEC's mandate of regulation and surveillance of the capital market has not been thorough and proactive as enjoined in the Act.⁴⁹ Such mandates include to:

- Regulate investment and securities business Nigeria, protect the integrity of the securities marker against all form of abuses including insider trading
- Prevent fraudulent and unfair trade practices.

In such instances, as in the case of the "African Petroleum Plc, Nova Securities Limited Scam on March 24, 2009, there was an allegation of share price manipulation when African Petroleum alleged in a Newspapers advert that Nova Finance and Securities Limited had acted illegally at Alhaji Dangote's request to force a decline in the price of AP shares. The allegation showed that in eight weeks between February 11, 2009 and March 20, 2009, Nova orchestrated cross deals of 50,000 shares.⁵⁰ This allegedly forced AP share to decline from #293.98k to #54.18K, a decline of 81.6% and a loss of 259 billion naira to AP shareholders. SEC thereafter suspended Nova Securities limited from all capital market activities in a year and barred its Managing Director, Mr. Eugene Anenih from being employed in the security industry for five years and a fine of 190,000 imposed on the company. Undoubtedly, if the commission has been effective in its supervisory role, it would have detected the share manipulation earlier and curtail its gravity".

In relation to the Nigerian Investment and Promotion Commission, one of the avenues or methods of investment promotion function is the tax relief or holidays granted to pioneer companies over some years but there have been instances where the tax holiday which was supposed to be granted these companies for a specified period are left running for a long period (exceeding the tax holiday period) without the NIPC monitoring and implementing stoppage of the tax free regime resulting in losses amounting to millions of naira which in turn has an adverse effect on the economy. Also the NIPC created a one-stop shop agency where it proposed to eliminate the rigors of multi regulatory bodies in bringing to life a business. This was to remove bottlenecks to investment. Regrettably, this mandate has remained unexecuted.

The court, unlike the other institutional frameworks discussed earlier, is not a corporate body, rather it is a judicial body with judicial powers established by an Act of parliament to hear disputes. S. 6 (1) and (2)⁵¹ of the constitution provides that the judicial powers in Nigeria both in the state and federation shall be vested in the court. In terms of the operation and effectiveness in carrying out the assigned roles, the court had regrettably been very slow in the Nigerian state. The retarded motion discourages investors, corporate citizens and individuals from resorting to courts for any form of redress of grievances. It is evident that the Federal High Court had not performed the roles and functions stated judiciously. Since the powers of the court remains dormant until it is activated, only persons who invoke the court's jurisdiction can access judicial remedies. These remedies have been inhibited due to shareholders inactivism, and ignorance of the corporate rights. The judicial system in the country is also infected by corruption, justices are perverted and rights and privileges of the less privileged are suppressed and denied instead of

⁴⁹ See section 13 of ISA

⁵⁰ Chukwuma Biosah, 'AP Plc Shareholders Scapegoating Alhaji Dangote' retrieved at www.proshareng.com/news/12862 accessed on 15/10/2015

⁵¹ Constitution of the Federal Republic of Nigeria, 1999.

being protected. Quite often, allegation of bias and corruption are leveled against judicial officers. These too should be remedied.

Conclusion

In this article, the roles and functions of the regulatory agencies of businesses in Nigeria had been exhaustively explained. The institutions were established for the sole aim of giving life to businesses by making and enforcing laws, rules, regulations as imprinted in the constitution and by creating an enabling environment which would guarantee its growth and development; to protect and safeguard the interests of stakeholders in the corporate sector. From the study, the importance of corporate organizations could be seen in every economy of the world. Under this Neolithic age, they are regarded as the engine of growth and development. But regrettably though, these expectations have been under performed in terms of implementation and supervisory roles. These failures can be seen in the number of failed businesses, brief case companies and fraudulent practices by both the regulators and the ruled. The canker worm of corruption had eaten deep into the fabric of every sector of the nation's economy occasioned by the myriad of factors and elements ranging from political, economic, social and even religious factors, that have inhibited the efficacious performance by these institutions. The inhibiting factors as noted by a researcher, include: funding, insufficient manpower and equipments, lack of professionalism and skill, regulatory conflict, restriction of outreach, inclement business environment, non-adoption of internationally based practices in selected jurisdiction and problem of scope of regulation as well as obsolete laws and lack of enforcement of the existing legislation on the subject matter.

Recommendations

Having observed the problems faced by regulatory agencies and the ineffectiveness exhibited, the researcher presents the following recommendations: there should be regular review of laws and regulations in order to meet the trend of business in the 21st century. The regulatory institutions should be more firm in their supervisory roles and also effect the provisions of the Acts when offenders are identified; they should be allowed to face the full fledge of the law. The courts too should be judicious in fulfilling their assigned roles and responsibilities. They should show fairness and equity as demanded by the law.