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SETTING UP AN ELECTRIC VEHICLES (EVS) BUSINESS IN NIGERIA: KEY LAWS, POLICIES, INSTITUTIONS, AND SOCIO-ECONOMIC CONSIDERATIONS.

1. Introduction:

"In just days, our planet's population will cross a new threshold. The 8 billionth member of our human family will be born. This milestone puts into perspective what this climate conference is all about. How will we answer when "Baby 8 Billion" is old enough to ask: What did you do for our world – and for our planet -- when you had the chance? Excellencies, This UN Climate Conference is a reminder that the answer is in our hands. And the clock is ticking. We are in the fight of our lives. And we are losing. *Greenhouse gas emissions keep growing. Global temperatures keep rising. And our planet is fast approaching tipping points that will make climate chaos irreversible. We are on a highway to climate hell with our foot still on the accelerator".*[2]

One way of driving away from climate hell is transitioning to a sustainable energy source. This transition is already gaining momentum in the transport sector with the invention, manufacture, and sale of electric vehicles (EVs) in countries like China, the US, the UK, and the EU. Nigeria, with over 220 million inhabitants, stands as a veritable market for the EV business to flourish. But for this to happen, some key factors need to be considered. Thus, this article examines the EV ecosystem in China, the US, the UK, and the EU.

It provides a checklist of some key laws, policies, institutions, and socio-economic factors to consider before setting up an EV business in Nigeria.

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2 Culled from the United Nations 9th Secretary-General, António Guterres' remarks to the High-Level opening of the United Nations Framework Convention on Climate Change (UNFCC) Conference of the Parties (COP) 27, held from 6th – 20th November 2022 at Sharm El-Sheikh, Egypt.

2. Conventional Vehicles and Their Environmental Effects

As of March 2025, there were well over 1.6 billion conventional and alternative fuel vehicles[3] (CFs and AFVs) globally.[4] This figure represents a ratio of roughly one vehicle per 5.5 people on Earth. By 2040, these numbers are predicted to double.[5] More than 90% of the global population of these vehicles utilise conventional fuel, mainly premium motor spirit/petrol (PMS) and automotive gas oil/diesel (AGO).[6] When these fuels are burned in the internal combustion engines of these CVs, they release harmful greenhouse gases (GHG) into the atmosphere. These released GHGs contribute to climate change and global warming.[7] This is the reason for frequent extreme weather events like incessant flash-flood, desertification, heat waves, melting of ice caps and rising sea levels, ocean acidification, damage to agriculture, infrastructure, health, loss of biodiversity, and the subsequent heavy costs to our economies.[8] In essence, the use of fossil fuel-driven vehicles has an existential impact not only on our shared environment but also on our health and

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3 While CFVs have internal combustion engines powered by either premium motor spirit (PMS) and automotive gas oil (AGO), alternative fuel vehicles are usually powered by biofuels, such as electricity and solar batteries, ethanol and biodiesel, biogas, liquified petroleum gas (LPG), compressed natural gas (CNG), fuel cells, hydrogen gas, amongst others, or a combination of two or more fuels. See, Fortune Business Insights on 'Alternative Fuel Vehicles Market Size, Share & Industry Analysis, By Fuel Type (BEV, HEV, PHEV, FCV, CNG, Biofuels, Other Gaseous Fuels), By Vehicle Type (Passenger Cars, Commercial Vehicles), and Regional Forecasts, 2024-2032' with report ID: FBI102518, <https://www.fortunebusinessinsights.com/alternative-fuel-vehicles-market-102518>, accessed 5th September 2025.

4 See Autokunbo Team, 'Number of Cars in the World 2025: Key Stats & Figures', <https://autokunbo.com/number-of-cars-in-the-world-2025-key-stats-figures/>, accessed 5th September 2025.

5 World Economic Forum, 'The number of cars worldwide is set to double by 2040' <https://shorturl.at/Axc5m>, accessed 6th September 2025.

6 See, Meisam Ahmadi Ghadikolaei, Pak Kin Wong, Chun Shun Cheung, Jing Zhao, Zhi Ning, Ka-Fu Yung, Hang Cheon Wong, Nirmal Kumar Gali, 'Why is the World Not Yet Ready to use Alternative Fuel Vehicles?', Heliyon, Volume 7, Issue 7, 2021, e07527, ISSN 2405-8440, <https://doi.org/10.1016/j.heliyon.2021.e07527> <https://www.sciencedirect.com/science/article/pii/S2405844021016303>, accessed 5th September 2025.

7 Global warming makes the Earth's temperature warmer over time. This changes weather patterns, thereby disrupting the usual balance of nature. The transport sector accounts for over 75 per cent of global GHG emissions and nearly 90 per cent of all carbon dioxide emissions. See, the United Nations, 'Causes and Effects of Climate Change' <https://www.un.org/en/climatechange/science/causes-effects-climate-change>, accessed 20th August 2025.

8 Filip Mandys, Shivani Taneja, 'Demand for green and fossil fuel automobiles', *Transportation Research Part A: Policy and Practice*, Volume 190, 2024, 104284, ISSN 0965-8564, <https://doi.org/10.1016/j.tra.2024.104284>.<https://www.sciencedirect.com/science/article/pii/S096585642400332X> accessed 6th September 2025.

economy.[9] Developing countries, including Nigeria, are the most impacted by this existential threat.[10]

3. The Imperatives for a Sustainable Transition and the Rise of EVs

Since it would be imprudent to continue using fossil fuel-driven vehicles due to their threat to our shared existence, a seamless transition to a more resilient and sustainable energy source is imperative. Accordingly, several mitigation and adaptation strategies have been invented. The invention and introduction of EVs into the automobile industry is one such strategy. EVs generally refer to vehicles powered by electric machines that are more efficient than any internal combustion engine. EVs could be classified into pure electrical vehicle (PEV), hybrid electrical vehicle (HEV) and fuel cell electrical vehicle (FCEV).[11] Their advent has been projected to significantly cut down on GHG emissions[12] while zero-emission EVs have been known to improve air quality and public health outcomes.[13]

4. The Global EV Ecosystem, Lessons, and Nigeria's Policies on EVs

The demand for EVs has continued to soar globally. China, the US, the EU, and the UK have been the shining lights in the EV value chain. In 2024, out of 453 million motor vehicles running on its roads, one in every ten cars in China was an EV.[14] Out of the 292.3 million cars and trucks on US roads in 2024, approximately 4,092,200 (1.4%) of

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9 Environment and Climate Change Canada (2025) *Canadian Environmental Sustainability Indicators: Greenhouse gas emissions*, available at: <www.canada.ca/en/environment-climate-change/services/environmental-indicators/greenhouse-gasemissions.html>. Accessed on 20th August 2025.

10 António Guterres' Remarks to the Second Global Sustainable Transport Conference held from 14th – 16th October 2021, in Beijing, China. <https://www.un.org/sg/en/content/sg/speeches/2021-10-14/remarks-the-second-global-sustainable-transport-conference%C2%A0> accessed 25th August 2025.

11 C. C. Chan, K. T. Chau, 'Modern Electric Vehicle Technology' Volume 47 of Monographs in Electrical and Electronic Engineering, ISSN 0950-1436 Oxford Science Publications, Oxford University Press, 2001, ISBN 0198504160, 9780198504160. See, C.C. Chan and K.T. Chau (2001) 'Hybrid vehicle, Modern Electric Vehicle Technology', Oxford University Press, Oxford; Chau, K.T. (2010), in Ramadhas, A.S. (ed.), 'Alternative Fuels for Transportation', CRC Press, Boca Raton, FL, pp.361–391; Chau, K.T. (2014) 'Pure Electric Vehicles', in Folkson, R. (ed.), 'Alternative Fuels and Advanced Vehicle Technologies for Improved Environmental Performance: Towards Zero Carbon Transportation', Elsevier, Woodhead Publishing, pp.655–684; Ding, Ning & Prasad, Krishnamachar & Lie, Tek Tjing. (2017), 'The electric vehicle: A Review', *International Journal of Electric and Hybrid Vehicles*. 9. 49. 10.1504/IJEHV.2017.082816.

12 Garcia, Rita & Freire, Fausto & Clift, Roland (2017), 'Effects on Greenhouse Gas Emissions of Introducing Electric Vehicles into an Electricity System with Large Storage Capacity', *Journal of Industrial Ecology*. 22. 10.1111/jiec.12593.

13 Michael Johnson, 'Nigeria has Pledged to Achieve 100% Zero-Emission Sales for New Cars and Vans by 2040', <https://rb.gy/lyf5v8>, accessed 25th August 2025.

14 See, the International Energy Agency, 'The Global EV Outlook 2025', *<https://www.iea.org/reports/global-ev-outlook-2025/executive-summary>, accessed 6th September 2025.* See also, the Chinese Ministry of Public Security announced on January 17, 2025, <https://autonews.gasgoo.com/china_news/70035763.html#:~:text=Shanghai%20(Gasgoo)%2D%20China%20had,year%2Don%2Dyear%20growth>, accessed 6th September 2025.

those were EVs.[15] There were 249 million passenger cars on EU roads in 2023; out of this figure, battery electric cars represented 1.8% (4,48 million).[16] In the UK, 3% of cars (1.09 million) were battery electric cars at the end of June 2024.[17] In Nigeria, the EVs population represents approximately 0.5 - 1% of the total 11,869,800 vehicle population.[18] Globally, electric car exports and sales surged by nearly 20% in 2024, reaching about 3.2 million electric cars. By 2030, EV production is expected to outpace conventional vehicle production.[19]

Beyond these statistics, these jurisdictions have emplaced competitive, affordable, and flexible EV markets, built state-of-the-art infrastructures like charging stations, spare parts, and after-sales service centres. They equally have enacted sound laws, formulated policies, and established effective institutional frameworks for efficient EV market operations. Undoubtedly, these jurisdictions serve as models for Nigeria to emulate. Accordingly, Nigeria has adopted and domesticated a series of international environmental conventions and protocols.[20] Nigeria has also formulated policies to govern the electric vehicle market, such as the launch of Nigeria's Energy Transition Plan (ETP) in 2022. The ETP sets ambitious targets for EVs adoption such that by 2050, EVs are expected to constitute 60% of the total vehicle market for both old and sold vehicles. The target is to attain 100% EV use nationwide by 2060. Additionally, the National Action Plan for the Development of Electric Vehicles (EVDP) encourages local production/local manufacture of at least 30% of EVs in Nigeria by 2032. These policies collectively aim to revitalise the economy, reduce reliance on imports, and financially incentivise investments through discounted import duties and tax breaks.

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15 Ronald Montoya, 'How Many Electric Cars Are There in the U.S.?' <https://www.edmunds.com/electric-car/articles/how-many-electric-cars-in-us.html>, accessed 6th September 2025.

16 European Automobile Manufacturers' Association (ACEA), 'Vehicles on European Roads', January 2025, <https://www.acea.auto/files/ACEA_Report_-_Vehicles_on_European_roads_2025.pdf> accessed 6th September 2025.

17 Michael Benson, Iona Stewart, Georgina Hutton, Dr Roger Tyers, 'Electric Vehicles and Infrastructure', *House of Commons Library, Research Briefing Number* CBP–7480, published 20th June 2025.

18 Climate Scorecard, <https://www.climatescorecard.org/2025/03/nigeria-has-pledged-to-achieve-100-zero-emission-sales-for-new-cars-and-vans-by-2040/#:~:text=Current%20EV%20Adoption%3A%20A%20Promising,modest%20relative%20to%20Nigeria's%20aspirations; https://dailytrust.com/nigeria-accounts-for-75-of-15-5m-registered-vehicles-in-w-africa/> accessed 26th August 2025.

19 Turner Cotterman, Erica R.H. Fuchs, Kate S. Whitefoot, Christophe Combemale, 'The transition to electrified vehicles: Evaluating the labor demand of manufacturing conventional versus battery electric vehicle powertrains', *Energy Policy*, Volume 188, 2024, 114064, ISSN 0301-4215, <https://doi.org/10.1016/j.enpol.2024.114064>. <https://www.sciencedirect.com/science/article/pii/S0301421524000843>, accessed 6th September 2025.

20 Like the United Nations Framework Convention on Climate Change, 1992, the Kyoto Protocol, 1997, the Paris Agreement, 2015, and the enactment of the Climate Change Act, 2021.

5. What to Consider before Setting up an EV Business in Nigeria

These can be categorised broadly into two: social and economic considerations, and the law and institutional regulatory checklist.

5.1. Socio-Economic Considerations

Setting up and introducing a new technology into any market anywhere in the world requires a huge war chest. The promoter/founder needs to determine what area of the business value chain the would-be business intends to carve a niche for itself.[21] It needs to conduct a comprehensive feasibility study of the market, undertake a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis, and prepare a detailed business plan, all aimed at how to penetrate the market and strategically position the business to break even quickly. Promoters/founders need to ask and provide answers to critical questions like: how would this business operate within the next 5, 10, 20 years when fully operational? How would it comply with the general and sector-specific laws and policies? How and where would it build sustainable and efficient charging infrastructures? Where and how would it procure reliable spare parts? How and where would it handle after-sales services/support, maintenance, and repairs? How and where would it handle recruitment, training, remuneration of management and members of staff? How and where would it advertise its products such that it would dissuade long-term users of fossil fuel-driven vehicles from switching to expensive but environmentally friendly EVs? How and when would its public relations unit respond to emergencies involving disinformation and misinformation from rivals bent on crippling the business? Additionally, it must consider socio-economic issues of whether the EVs are for the low, middle, high, or super-rich class and whether the business can afford to provide consumer credit opportunities to facilitate instalment payment, loans, etc., to its customers.

5.2. Law and Institutional Regulatory Checklist

Apart from the socio-economic considerations on how to dismantle the hegemonic position occupied by fossil fuel driven vehicles and the resistance to be surmounted from its financiers, some of whom may be powerbrokers who enjoy both political and mass support, a promoter seeking to set up an EVs business in Nigeria would need to interface with some key agencies of government and comply with relevant general and sector-specific laws and policies to thrive. Here are some critical, albeit interrelated, agencies, laws, and policies worth considering.

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[21] Whether in the manufacturing, assemblage/coupling, or after-sales service/repairs.

5.2.1 The Corporate Affairs Commission (CAC)[22]

The CAC is responsible for the incorporation, regulation, and management of companies and business structures in Nigeria. All businesses in Nigeria, including an EV business, must be incorporated to enjoy legal recognition. Depending on the structure, scale, and value chain of the business operations, the promoter/founder may have to register the business either as a private/public company limited by shares or guarantee (LTD/PLC/Gte), as an unlimited company (ULTD),[23] or as a business name (BN).[24]

5.2.2 Physical Planning and Urban Development

After incorporation, a physical structure at the right location for operational purposes must be considered. If the company is taking up an existing structure, there would be a need to convert/reconstruct the building to fit the purpose for a charging station, office spaces, maintenance workshops, etc. To effectively do this, the company would have to apply for a permit/approval. In Lagos State, the application is made with relevant documents attached, prescribed fees paid, before assessment/inspection, and rejection/query/approval, to the relevant agencies like the Lagos State Physical Planning Permit Authority (LASPPPA)[25] and the Lagos State Building Control Agency (LASBCA).[26]

5.2.3 Environmental permits/Approvals

Depending on the scale of the business, the company may be required to carry out an environmental impact assessment (EIA)[27] before commencing operations. Additionally, the business is to obtain the requisite permits to forestall ambient air, land, and water pollution from the Nigeria Environmental Standards and Response Agency (NESREA) and the Lagos State Environmental Agency (LASEPA) if in Lagos State or its equivalent in the state where the business is located.

5.2.4 The Ministry of Transport

In Lagos, the company may, depending on the value chain of the EV business it intends to operate in, be required to obtain the Motor Vehicle/Spare parts

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22 This Commission is established by Part A, section 1 - 17 of the *Companies and Allied Matters Act* (CAMA 2020).

23 See generally, sections 18 – 26 of the *Companies and Allied Matters Act*, 2020.

24 See, section 814 – 818, *Companies and Allied Matters Act*, 2020.

25 The Authority, amongst others, oversees planning permits, compliance, establishment of permit offices, preparation and review of development plans, record-keeping, and technical evaluations.

26 This Agency was set up to ensure that basic minimum standards are maintained in building construction and renovation of existing and new buildings in Lagos State. See, the *Lagos State Urban and Regional Planning and Development Law*, Cap U2 *Lagos State/Physical Planning Permit Regulations*, 2019.

27 See, the *Environmental Impact Assessment Act* No. 86 of 1992.

dealers license from the Motor Vehicle Administration Agency (MVAA) from the Lagos State Ministry of Transport (other states, including the FCT, may have similar provisions).[28]

5.2.5 A Road Worthiness Certification

In Lagos State, the business, depending on the value chain of the EV ecosystem the company intends to operate in, may need to obtain a Road Worthiness Certificate, Vehicle License, Hackney Permit, Testing and Training of its driver's license/rider card, and sometimes complements the duties of other transport agencies from the Lagos State Vehicle Inspection Service.[29]

5.2.6 The Fire Service, Safety, and Insurance

A fire safety certificate is issued by relevant fire services like the Federal Fire Service and/or the relevant state fire service after ensuring that the business has installed the appropriate fire prevention, detection and alarm devices.[30] Regular training and retraining policies need to be curated for all employees. Insurance policies equally need to be obtained for the business.

5.2.7 The Nigeria Electricity Regulatory Commission (NERC)[31]

Because of the quantum of energy needed to effectively operate a comprehensive EV ecosystem (assemblage, repairs/serving, charging stations, office spaces, etc.), the company may consider providing a reliable, independent, uninterrupted power supply. The company may have to consider obtaining permits/licenses like Captive Power Generation Permit,[32] Mini Grid Permit (off-grid),[33] and other forms of embedded generation permits[34] from the

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28 The Agency's assigned responsibilities include, but are not limited to, formulation and implementation of Auto-Reg Vehicle Licensing, Auto-Reg Hackney Permit, Automated Temporary Vehicle Tag (TVT), Automobile Dismantling & Recycling (ADR) permit and renewals. See the Motor Vehicle and Motor Vehicle Spare Parts Dealers Law 2004 of Lagos State.

29 See, <https://dvis.lg.gov.ng/about-us/>, accessed 24th August 2025.

30 They include fire suppressants like fire extinguishers, fire alarms, sprinkler systems, fire safety signage and gadgets, a clean agent suppression system, amongst others.

31 Nigerian Electricity Regulatory Commission (NERC) is an independent regulatory body with authority for the regulation of the electric power industry in Nigeria. It was established under the *Electric Power Sector Reform Act*, 2005 (repealed), now the *Electricity Act* 2023.

32 See, Regulation No: NERC-R-0108, Nigerian Electricity Regulatory Commission.

33 See the Mini Grid Regulations 2023, Regulation No: NERC – R – 117 – 2023, Nigerian Electricity Regulatory Commission.

34 An embedded generation means the generation of electricity that is directly connected to and evacuated through a distribution system, which is connected to a transmission network operated by the licensee vested with system operations functions – see the Nigerian Electricity Regulatory Commission (Embedded Generation) Regulations, 2012, Nigerian Electricity Regulatory Commission.

National Electricity Regulatory Commission (NERC), and/or their respective state's electricity regulatory commission (where available).[35]

5.2.8 The Standards Organisation of Nigeria (SON)

The company would have to obtain the Standards Organisation of Nigeria Conformity Assessment Programme (SONCAP) permit to import the EVs. The company is to ensure that the EVs and spare parts comply with SONs[36] requirements for import, assemblage, distribution, and sales. If the EVs, their spare parts, or any product in the EVs value chain were to be manufactured in Nigeria, there is a need to source locally available materials rather than importing them to enjoy significant tax and pioneer incentives.[37]

5.2.9 Regulatory and Financial Institutions

To successfully import its products into Nigeria, the EV company must obtain the Central Bank of Nigeria's electronic Form M[38] with other attached documents[39] through an authorised dealer bank (ADB). The ADB provides the company access to the Federal Government Single Window for Trade portal to facilitate the importation of the company's products. The completed e-Form M is afterwards forwarded to the Nigeria Customs Service for final verification and registration.[40] When imported, the EVs and spare parts are to be accompanied by a Combined Certificate of Value and Origin (CCVO) and other supporting documents. To avoid seizure, destruction, and/or possible prosecution, the company must ensure that the imported EVs and parts have an instruction manual, safety information and/or safety signs, a guaranty/warranty of at least six months, amongst others.

5.2.10 Taxes

All businesses operating in Nigeria must file annual tax returns based on their legal structure, operations, assets, and transactions. Some taxes the EV

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35 See, the Fifth Alteration (No.17), Constitution of the Federal Republic of Nigeria, 1999 (as amended) and section 230 (2 – 9) of the *Electricity Act* 2023.

36 See, the Standards Organisation of Nigeria Act No. 14, 2015.

37 See, the National Automotive Council Nigeria, <https://www.nac.gov.ng/investment_opportunities.php>, accessed 7th September 2025.

38 The e-Form M serves as a legal document and declaration of intent to import physical goods into Nigeria, regardless of value or whether foreign exchange is involved.

39 Such as a proforma invoice, insurance certificate, regulatory certificate/permits.

40 See, the Central Bank of Nigeria, Trade and Exchange Department's circular TED/FEM/FPC/GEN/01/003, issued March 22, 2013. Guarantee Trust Bank, <https://www.gtbank.com/business-banking/international-trade/imports-exports/form-m>; First Bank of Nigeria, <https://www.firstbanknigeria.com/business/trade/forms-a-m-and-q/> accessed 22nd August 2025.

company would be expected to take cognisance of include: Corporate Tax,[41] Value-Added Tax (VAT),[42] Personal Income Tax for its staff members,[43] Capital Gains Tax,[44] Education Tax,[45] National Housing Fund,[46] Stamp Duty,[47] amongst others. It should be noted that a number of these taxes have now been consolidated under the Nigeria Tax Act 2025, which comes into effect from 1st January 2026. Additionally, under the Act, EVs and their spare parts are regarded as zero-rated items.[48]

5.2.11 The Federal Competition and Consumer Protection Commission (FCCPC)

Considering the nascency of the EVs market in Nigeria, the company would need to be mindful of certain practices that offend the provisions of the *Federal Competition and Consumer Protection Act* and ancillary regulations such as anti-competitive practices like price-fixing, restricting distribution, market allocation, and bid-rigging, including unfair consumer practices like false or misleading representations, failure to disclose reconditioned goods, coercive marketing, prohibiting consumer cancellations, amongst others.[49]

5.2.12 The Economic and Financial Crimes Commission (EFCC)

As a designated Non-Financial Institutions/business profession (DNFIs/DNFBPs) subject to specific anti-money laundering/combating the financing of terrorism (AML/CFT) regulations and monitoring, the company is to obtain the Special Control Unit against Money Laundering (SCUML) certificate[50] from any designated EFCC office, and file regular reports.

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41 To be filed annually or within 6 months after the accounting year-end. See, the *Companies Income Tax Act (CITA)* Cap S21 LFN 2004.

42 To be filed 21 days after the end of each VAT period. See, the Finance Act 2020 and the Value Added Tax Act.

43 Employers deduct income tax from employees' salaries/wages and must file pay-as-you-earn (PAYE) returns to remit these withholdings to the government.

44 When companies dispose of chargeable assets like land, buildings, shares, etc., they must file returns and pay tax on any capital gains realised.

45 See, the *Tertiary Education Trust Fund (Establishment, Etc.) Act* 2011. The Act imposes on all companies registered in Nigeria a 2% tax on all assessable profits to fund educational development. The due date for filing the tax returns is the same as that of Company Income Tax ("CIT") and Petroleum Profit Tax ("PPT").

46 An employee earning the national minimum wage and above in either the public or private sector in Nigeria shall contribute 2.5% of his monthly income to the Fund. See, section 5 of the National Housing Fund (Establishment) Act, 2018.

47 Instruments/documents of each transaction, like sales and payments for certain products, depending on the products, duration, etc., attract ad valorem or flat rate duty. See the *Stamp Duties Act*, CAP S8 LFN 2004 and section 52 of the *Finance Act* 2019.

48 See, section 187 (r) of the Nigeria Tax Act, 2025

49 See, the *Federal Competition and Consumer Protection Act*, 2018.

50 See, section 17 of the *Money Laundering (Prevention and Prohibition) Act*, 2022.

5.2.13 The Nigeria Immigration Service (NIS)

Should the company intend to employ expatriates, it must obtain an expatriate quota, apply for their visas, and obtain other necessary travel documents from the Nigerian Immigration Service.

5.2.14 Employees' Health, Safety, and Environment Compliance

The company would have to bear in mind its responsibility for health (as defined by the United Nations)[51] and the safety of its employees. Specifically, it must make provision for compensation to its employees (or their dependents) for injuries, diseases, or deaths arising from their employment under the Employees' Compensation Act 2010. The Act mandates every employer to make a minimum monthly contribution of 1.0 per cent of the total monthly payroll into the Nigeria Social Insurance Trust Fund (NSITF).

5.2.15 Minimum Wage and Pensions

Additionally, the company is to ensure it pays employees the prescribed minimum wage. In compliance with the Contributory Pension Scheme (CPS), both the employer (10% or more) and the employee (8% or more) are to contribute towards the payment of the employee's pension into a retirement savings account (RSA) warehoused by a preferred pension fund administrator (PFA).[52]

6. Conclusion

Environmental, health, and economic concerns have necessitated the transition from conventional to alternative vehicles like EVs. China, the US, the UK, and the EU have been blazing the trail in this ecosystem. This paper has attempted to provide a checklist of socio-economic factors, laws, policies, and institutions to consider before setting up an EV business in Nigeria. With over 220 million people, Nigeria is a ready market for the EV business. What is needed is a comprehensive legal, policy, and institutional framework for it to effectively take its big bite out of the global EV market cherry.

For further information on this article and the area of law,
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[51] See, the World Health Organisation, <https://www.who.int/about/governance/constitution>, accessed 9th September 2025.

[52] See, the Pension Reform Act, 2014.