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Enhancing corporate governance regime in Nigeria: Lessons from India

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Abstract
Corporate governance has become an indispensable mechanism for promoting corporate accountability, investor confidence and sustainable economic development. Despite significant legislative and regulatory reforms, Nigeria continues to experience persistent corporate governance challenges characterised by fragmented regulatory oversight, weak enforcement, inadequate protection of minority shareholders, poor disclosure practices and deficiencies in board independence. These challenges have undermined corporate accountability and adversely affected investor confidence within the Nigerian corporate sector. This paper examines the principal challenges confronting corporate governance in Nigeria and evaluates the extent to which India's regulatory experience provides practical lessons for strengthening Nigeria's corporate governance framework. The paper adopts the doctrinal research methodology, relying on the analysis of primary legal sources, including statutes, regulations and corporate governance codes, as well as relevant judicial authorities and scholarly literature. A comparative approach is employed to examine the corporate governance frameworks of Nigeria and India with a view to identifying contextually appropriate lessons capable of improving governance practice in Nigeria. The paper finds that Nigeria's corporate governance challenges stem less from the absence of comprehensive legal and institutional frameworks than from weaknesses in regulatory implementation, institutional coordination and governance culture. In contrast, India's progressive regulatory approach, particularly through the Securities and Exchange Board of India (SEBI), demonstrates the importance of proactive regulatory oversight, institutional coherence, enhanced disclosure standards and effective protection of minority shareholders. The paper argues that Nigeria should prioritise institutional strengthening, harmonised regulatory oversight and context-specific adaptation of proven governance practices rather than wholesale transplantation of foreign governance models. The paper concludes that strengthening corporate governance in Nigeria requires a shift from predominantly reactive regulatory enforcement towards a proactive governance framework capable of promoting transparency, accountability and sustainable corporate growth.

Keywords: Corporate governance, Nigeria, India comparative law, regulatory oversight, corporate accountability

Introduction

Corporate governance has emerged as one of the defining pillars of modern corporate regulation, providing the institutional framework through which companies are directed, controlled and held accountable to shareholders and other stakeholders. The increasing separation of ownership from management, the expansion of global capital markets and the growing demand for transparency and accountability have elevated corporate governance from a matter of internal corporate administration to an issue of significant economic and public policy importance. Sound corporate governance promotes investor confidence, facilitates access to capital, enhances corporate performance and contributes to sustainable economic development, while weak governance structures often expose companies to financial mismanagement, regulatory sanctions and corporate failure. Consequently, corporate governance has become an essential component of contemporary company law and regulatory practice across both developed and developing economies.

Nigeria has, over the past two decades, undertaken significant legal and institutional reforms aimed at strengthening corporate governance. These reforms include the enactment of the Companies and Allied Matters Act 2020, the issuance of the Nigerian Code of Corporate Governance 2018 by the Financial Reporting Council of Nigeria, the Securities and Exchange Commission's regulatory framework for public companies and sector-specific governance codes issued by regulatory agencies such as the Central Bank of Nigeria, the Nigerian Communications Commission, the National Insurance Commission and other specialised regulators. Collectively, these legal and institutional frameworks demonstrate Nigeria's commitment to aligning its corporate governance regime with internationally recognised principles of accountability, transparency, fairness and responsible corporate management. Recent scholarly commentary has similarly acknowledged that these reforms represent one of the most comprehensive corporate governance regimes within Africa. [1]

Notwithstanding these reforms, persistent corporate governance failures continue to undermine corporate accountability and investor confidence within the Nigerian corporate environment. Corporate scandals, regulatory infractions, weak enforcement of governance standards, ineffective board oversight, inadequate protection of minority shareholders and inconsistent regulatory supervision continue to raise concerns regarding the practical effectiveness of Nigeria's corporate governance framework. These recurring challenges suggest that the mere existence of comprehensive legislation and governance codes does not necessarily translate into effective corporate governance. Rather, the effectiveness of any governance framework depends substantially on the quality of regulatory institutions, the consistency of enforcement mechanisms and the extent to which governance principles are embedded within corporate culture. [2]

Comparative legal scholarship increasingly recognises that meaningful corporate governance reforms are most effective when informed by the experiences of jurisdictions possessing similar legal traditions, institutional capacities and developmental realities [3]. While Nigerian corporate governance literature has traditionally relied upon comparisons with jurisdictions such as the United Kingdom and the United States, this paper adopts a different comparative perspective by examining India's regulatory experience. India presents a particularly appropriate comparator because, like Nigeria, it operates within the common law legal tradition, possesses an emerging economy, maintains an active capital market and has progressively strengthened its corporate governance framework through legislative reforms, institutional development and proactive regulatory oversight [4]. The experience of India therefore provides practical lessons that are capable of informing corporate governance reforms within the Nigerian context without requiring the wholesale transplantation of foreign regulatory models developed for fundamentally different economic and institutional environments. [5]

Against this background, this paper examines the principal challenges confronting corporate governance regulation in Nigeria and evaluates the extent to which India's regulatory experience offers practical lessons for strengthening Nigeria's corporate governance framework. The paper adopts the doctrinal research methodology, relying on the critical analysis of primary legal sources, including statutes, corporate governance codes, regulatory instruments and relevant judicial authorities, complemented by scholarly literature on corporate governance law and practice in both jurisdictions. Through a comparative analysis of the Nigerian and Indian corporate governance frameworks, the paper argues that Nigeria's principal corporate governance challenge lies not in the absence of adequate legal frameworks but in deficiencies relating to regulatory implementation, institutional coordination and governance culture. It further contends that sustainable corporate governance reform in Nigeria is more likely to be achieved through the adaptation of contextually relevant regulatory practices, particularly those demonstrated by India, than through the wholesale adoption of governance models from developed jurisdictions.

Corporate Governance Challenges in Nigeria

Nigeria has undertaken considerable legal and institutional reforms aimed at strengthening corporate governance over the past two decades. These reforms have culminated in the enactment of the Companies and Allied Matters Act 2020 (CAMA 2020), the issuance of the Nigerian Code of Corporate Governance 2018 (NCCG 2018), and the development of sector-specific governance codes by various regulatory authorities. Collectively, these reforms demonstrate a deliberate commitment towards improving corporate accountability, investor confidence and regulatory oversight. [6] Nevertheless, the existence of an extensive legal framework has not eliminated persistent governance failures. Rather, several structural and institutional challenges continue to undermine the effective implementation of corporate governance principles within the Nigerian corporate sector.

The discussion that follows identifies the principal legal and institutional challenges affecting corporate governance in Nigeria and demonstrates how these challenges collectively impede regulatory effectiveness and corporate accountability.

1. Fragmentation of Nigeria's Corporate Governance Framework

One of the most significant challenges confronting corporate governance regulation in Nigeria is the fragmentation of its legal and institutional framework. Unlike jurisdictions where corporate governance regulation is administered through a relatively coordinated institutional structure, Nigeria operates a multi-layered governance system in which corporate governance obligations are dispersed across several statutes, regulatory codes and sector-specific guidelines administered by different regulatory agencies. [7] Although this multiplicity reflects the increasingly specialised nature of modern corporate regulation, it has simultaneously produced overlapping regulatory responsibilities, inconsistent compliance requirements and uncertainty regarding the applicable governance standards.

The principal statutory foundation for corporate governance in Nigeria is the Companies and Allied Matters Act 2020, which establishes the legal framework governing corporate formation, directors' duties, shareholders' rights, financial reporting and corporate accountability. [8] Complementing this statutory regime is the Nigerian Code of Corporate Governance 2018 issued by the Financial Reporting Council of Nigeria pursuant to its statutory mandate to promote high standards of corporate governance among public interest entities. [9] Beyond these general governance instruments, sector-specific regulators have also issued independent governance frameworks applicable to institutions under their respective supervision. These include the Securities and Exchange Commission, the Central Bank of Nigeria, the National Insurance Commission, the National Pension Commission and the Nigerian Communications Commission. [10] While these sector-specific governance frameworks seek to address the peculiar risks associated with their respective industries, they have also resulted in significant regulatory overlaps. A financial institution listed on the Nigerian Exchange Limited, for example, may simultaneously be subject to the provisions of CAMA 2020, the Nigerian Code of Corporate Governance 2018, the SEC governance framework, the Central Bank of Nigeria's Corporate Governance Guidelines and various prudential regulations issued by the apex bank. Similar regulatory overlaps exist within the insurance, telecommunications and pension sectors where institutions remain accountable to both general corporate governance standards and sector-specific governance requirements. [11] The practical implication of this fragmented governance architecture is that regulated entities frequently encounter multiple compliance obligations addressing substantially similar governance issues but imposing different reporting procedures, supervisory expectations and enforcement mechanisms. Regulatory agencies likewise exercise overlapping oversight responsibilities, sometimes without adequate institutional coordination or harmonised compliance standards. Recent Nigerian scholarship has observed that such regulatory fragmentation increases compliance costs, creates legal uncertainty and weakens the overall effectiveness of governance regulation by encouraging inconsistent regulatory interpretations and supervisory duplication. [12] The challenge therefore lies not in the absence of corporate governance legislation or regulatory institutions but in the lack of sufficient coordination among the numerous governance frameworks operating within the Nigerian corporate landscape. Without greater institutional harmonisation, fragmented governance regulation is likely to continue undermining regulatory efficiency, corporate compliance and investor confidence. This challenge provides an important basis for examining how India's comparatively coordinated regulatory framework has enhanced corporate governance through greater institutional coherence and integrated regulatory oversight.

2. Weak Regulatory Enforcement as a Constraint to Effective Corporate Governance

The effectiveness of any corporate governance regime depends not merely on the existence of comprehensive legal rules but, more importantly, on the capacity of regulatory institutions to ensure compliance through consistent supervision, timely intervention and proportionate enforcement. Consequently, the success of corporate governance is measured less by the quality of legislation enacted than by the effectiveness with which such legislation is implemented. This position has equally been recognised by the G20/OECD Principles of Corporate Governance, which emphasise that an effective corporate governance framework requires sound legal, regulatory and institutional foundations supported by competent supervisory and enforcement authorities. [13] Nigeria possesses a relatively comprehensive corporate governance framework. The Companies and Allied Matters Act 2020 (CAMA 2020) codifies directors' fiduciary duties, duties of care and obligations relating to corporate accountability. [14] The Nigerian Code of Corporate Governance 2018 (NCCG 2018) further establishes governance principles relating to board leadership, risk management, transparency, ethics and stakeholder engagement through its "Apply and Explain" approach, while sector regulators such as the Securities and Exchange Commission (SEC), the Central Bank of Nigeria (CBN), the National Insurance Commission (NAICOM), the National Pension Commission (PenCom) and the Nigerian Communications Commission (NCC) have each developed sector-specific governance frameworks applicable to regulated entities. [15] Collectively, these legal and regulatory instruments provide an extensive governance architecture capable of promoting accountability and responsible corporate management.

Notwithstanding this elaborate legal framework, the practical effectiveness of corporate governance regulation in Nigeria continues to be undermined by weak regulatory enforcement. Available scholarship demonstrates that corporate governance failures in Nigeria are attributable less to legislative deficiencies than to inconsistent enforcement, weak compliance culture, inadequate regulatory coordination and limited institutional capacity. Ozili [16] observes that weak enforcement of existing corporate governance laws, conflicting governance codes and deliberate non-compliance by regulated entities remain among the most significant causes of corporate governance failures in Nigeria. Similarly, Okara [17] argues that while CAMA 2020 and the Nigerian Code of Corporate Governance 2018 significantly strengthened Nigeria's corporate governance framework, the effectiveness of these reforms ultimately depends upon the willingness and capacity of regulatory institutions to enforce compliance consistently.

The weakness in Nigeria's enforcement architecture is reflected in the predominantly reactive character of regulatory supervision. Regulatory interventions frequently occur only after significant governance failures have materialised, resulting in investigations, sanctions or administrative penalties. Although enforcement actions remain an indispensable regulatory tool, excessive reliance on post-breach sanctions diminishes the preventive function of corporate governance regulation. Effective corporate governance requires continuous regulatory engagement capable of identifying governance deficiencies before they develop into corporate crises. Consequently, enforcement should not merely punish non-compliance but should also encourage responsible governance behaviour through proactive supervision, regulatory guidance and sustained stakeholder engagement. The challenge is further compounded by the multiplicity of regulators exercising overlapping supervisory mandates over different sectors of the Nigerian economy. While each regulator possesses statutory authority within its respective industry, differences in supervisory priorities and enforcement approaches may produce inconsistent governance outcomes across sectors. Such inconsistencies reduce regulatory predictability, increase compliance costs and ultimately weaken investor confidence in the effectiveness of Nigeria's corporate governance framework.

3. Board Independence without Board Effectiveness: A Persistent Governance Paradox

The board of directors occupies a central position within every corporate governance system because it serves as the principal organ responsible for directing the affairs of the company, supervising management and safeguarding the interests of shareholders and other stakeholders. Modern corporate governance therefore places significant emphasis on board independence as an essential mechanism for promoting objective decision-making, strengthening oversight and reducing agency conflicts between directors, management and shareholders. [18] Consequently, both CAMA 2020 and the Nigerian Code of Corporate Governance 2018 (NCCG 2018) contain provisions intended to enhance board accountability through appropriate board composition, separation of leadership roles and the appointment of independent non-executive directors. [19] The NCCG 2018 recognises board independence as one of the cardinal principles of effective corporate governance by requiring boards to maintain an appropriate balance between executive, non-executive and independent non-executive directors. [20] The Code further encourages the separation of the offices of the Chairman and the Chief Executive Officer in order to avoid excessive concentration of corporate power and to strengthen independent oversight of executive management. Similar governance requirements are reflected within sector-specific governance codes issued by the Securities and Exchange Commission, the Central Bank of Nigeria and other financial sector regulators. [21]

Despite these governance requirements, the practical effectiveness of board independence in Nigeria remains questionable. The appointment of independent directors has, in many instances, produced formal compliance rather than substantive independence. Although boards may satisfy the legal requirements relating to composition and independence, this has not always translated into objective oversight, effective monitoring of executive management or improved corporate accountability. In practice, independent directors may remain influenced by controlling shareholders, dominant promoters or executive management through personal relationships, appointment processes or economic dependence arising from board remuneration and continued reappointment. Thus, legal independence does not invariably produce behavioural independence. Structurally companies comply with statutory or regulatory requirements governing board composition whereas functionally the willingness and ability of directors to exercise objective judgment free from undue influence is missing. It is the latter that ultimately determines whether boards effectively discharge their fiduciary responsibilities. Board effectiveness depends not merely upon the number of independent directors sitting on the board but upon the quality of deliberations, professional competence, ethical leadership, operational autonomy and the institutional environment within which directors perform their oversight responsibilities. [22] Effective corporate governance requires not merely independent boards in law but effective boards in practice. This distinction provides an important analytical basis for examining India's regulatory initiatives aimed at improving board evaluation, director independence and board accountability through the Securities and Exchange Board of India (SEBI).

The challenge is particularly significant within jurisdictions characterised by concentrated ownership structures, family-controlled companies and dominant founder influence, where directors may find it difficult to challenge executive decisions notwithstanding their formal designation as independent directors. Nigeria continues to exhibit several of these characteristics. Consequently, statutory provisions promoting board independence have not consistently achieved their intended objective of strengthening board oversight or improving corporate accountability.

4. Weak Institutional Capacity and Corporate Governance Compliance

Effective corporate governance depends not only on the existence of sound legal rules but also on the institutional capacity of regulatory agencies to supervise compliance consistently and efficiently. In Nigeria, responsibility for corporate governance oversight is shared among the Financial Reporting Council of Nigeria (FRCN), the Securities and Exchange Commission (SEC), the Central Bank of Nigeria (CBN), the National Insurance Commission (NAICOM), the National Pension Commission (PenCom) and other sector regulators established under their respective enabling statutes. Collectively, these institutions possess adequate legal authority to promote corporate governance within their regulated sectors. Notwithstanding this extensive institutional framework, regulatory effectiveness continues to be constrained by limited institutional coordination, uneven supervisory capacity and varying levels of governance compliance across sectors. While some regulated industries have developed relatively robust governance cultures, compliance within other sectors remains largely reactive, with organisations frequently responding only after regulatory intervention has occurred. This uneven compliance culture weakens the overall effectiveness of Nigeria's corporate governance framework and undermines public confidence in regulatory oversight.

The challenge therefore extends beyond institutional existence to institutional effectiveness. Regulatory agencies require adequate technical capacity, specialised governance expertise, inter-agency information sharing and coordinated supervisory mechanisms capable of ensuring consistent governance standards across sectors. As recognised by the G20/OECD Principles of Corporate Governance, effective implementation of corporate governance ultimately depends upon competent regulatory institutions possessing sufficient authority, independence, resources and enforcement capacity to discharge their statutory responsibilities. [23] Accordingly, strengthening Nigeria's corporate governance framework requires more than legislative reform. It equally requires strengthening the institutional capacity of regulatory agencies to promote continuous compliance, coordinate supervisory activities and cultivate a governance culture that encourages voluntary compliance rather than mere regulatory reaction. India's experience in institutional coordination and regulatory supervision provides useful lessons in this regard.

5. Inadequate Protection of Minority Shareholders

The protection of minority shareholders constitutes one of the fundamental objectives of modern corporate governance because it promotes investor confidence, encourages capital formation and prevents the abuse of corporate power by majority shareholders or controlling interests. Nigerian company law recognises this objective through various provisions of CAMA 2020, which impose fiduciary duties on directors, regulate related-party transactions and provide statutory remedies against oppressive and unfairly prejudicial conduct [24]. The Nigerian Code of Corporate Governance 2018 (NCCG 2018) similarly emphasises fairness, equitable treatment of shareholders and responsible board conduct [1].

Despite these legal protections, minority shareholders in Nigeria continue to face significant practical challenges in enforcing their rights. Concentrated ownership structures, dominant promoter influence and the high cost and delay associated with litigation frequently discourage minority shareholders from seeking judicial or regulatory remedies. Consequently, the existence of statutory rights does not always translate into effective protection in practice. This enforcement gap weakens investor confidence and undermines one of the principal objectives of corporate governance.

The difficulty therefore lies less in legislative inadequacy than in the accessibility and effectiveness of available enforcement mechanisms. Corporate governance can only inspire investor confidence where minority shareholders possess realistic opportunities to challenge oppressive conduct and where regulatory institutions are capable of providing timely and effective intervention. Comparative experience demonstrates that effective shareholder protection depends upon both legal rights and practical mechanisms for their enforcement. Accordingly, although Nigerian corporate law recognises minority shareholder rights, greater emphasis should be placed on improving the effectiveness, accessibility and timeliness of enforcement mechanisms. This provides an important basis for examining India's regulatory framework, where shareholder protection has been progressively strengthened through enhanced disclosure obligations, regulatory intervention by the Securities and Exchange Board of India (SEBI) and specialised dispute resolution mechanisms.

6. Disclosure and Transparency Deficiencies

Transparency and timely disclosure are indispensable components of effective corporate governance because they enable shareholders, regulators and other stakeholders to make informed decisions regarding the financial position, governance practices and overall performance of companies. The Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018 and sector-specific governance regulations impose obligations requiring companies to prepare accurate financial statements, maintain proper accounting records and disclose material corporate information in a timely manner. [25]

Notwithstanding these legal requirements, the quality and consistency of corporate disclosures remain a continuing challenge within the Nigerian corporate sector. Compliance frequently focuses on satisfying minimum regulatory requirements rather than promoting meaningful transparency capable of supporting informed investment decisions. In some instances, corporate disclosures are inadequate, delayed or insufficiently detailed to enable stakeholders properly evaluate governance performance, board accountability or emerging corporate risks. The challenge therefore extends beyond the existence of disclosure obligations to the quality of information disclosed and the effectiveness of regulatory verification. Modern corporate governance increasingly requires disclosures relating not only to financial performance but also to board evaluation, risk management, sustainability, environmental, social and governance (ESG) considerations and related-party transactions. Consequently, transparency should be understood as a continuous governance obligation rather than a periodic reporting requirement. The strengthening of disclosure standards remains essential to improving corporate governance in Nigeria. Greater emphasis should be placed on ensuring that disclosures are timely, reliable, comprehensive and useful for regulatory supervision and investment decision-making. India's evolving disclosure regime under the SEBI (Listing Obligations and Disclosure Requirements) Regulations provides useful comparative lessons for strengthening transparency and corporate accountability within Nigeria.

Lessons from India's Corporate Governance Framework for Nigeria

The foregoing discussion demonstrates that Nigeria's corporate governance framework is supported by an extensive body of legislation, regulatory codes and sector-specific governance guidelines. Nevertheless, the persistence of regulatory fragmentation, weak enforcement, ineffective board oversight, limited institutional capacity, inadequate minority shareholder protection and deficiencies in corporate disclosure suggests that legislative reform alone is insufficient to achieve effective corporate governance. This section therefore examines selected features of India's corporate governance framework to identify practical and context-specific lessons capable of strengthening corporate governance regulation and practice in Nigeria.

1. Strengthening Regulatory Coordination through Institutional Leadership

One of the distinguishing features of India's corporate governance framework is the comparatively coordinated relationship between its principal corporate regulator and sectoral institutions. Although corporate governance regulation in India is derived from multiple legal instruments, particularly the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR Regulations), regulatory supervision has evolved around a relatively integrated institutional framework in which the Securities and Exchange Board of India (SEBI) exercises a central coordinating role over governance compliance by listed companies. [26]

Unlike the fragmented supervisory environment observed in Nigeria, India's regulatory model promotes greater consistency in governance standards through harmonised disclosure requirements, uniform listing obligations and coordinated regulatory guidance. The Companies Act 2013 establishes the statutory foundation for corporate governance by prescribing directors' duties, board composition, audit committees, related-party transactions and shareholder protections, while the SEBI LODR Regulations provide detailed governance obligations applicable to listed entities. [27] Rather than operating as competing regulatory regimes, these instruments function in a complementary manner, thereby reducing regulatory uncertainty and improving compliance.

A notable feature of India's regulatory approach is the active role played by SEBI in promoting governance compliance beyond the imposition of sanctions. Through periodic circulars, regulatory guidance, disclosure frameworks and continuous engagement with market participants, SEBI has progressively strengthened corporate governance by encouraging preventive compliance alongside enforcement. This proactive supervisory model reflects the recognition that effective corporate governance is best achieved through continuous regulatory engagement rather than reliance upon post-breach sanctions alone.

The Nigerian corporate governance framework would benefit from adopting a similar model of institutional coordination. While Nigeria's sector-specific regulators should continue to exercise supervisory authority within their respective industries, greater collaboration among the Financial Reporting Council of Nigeria, the Securities and Exchange Commission and other sector regulators would enhance consistency in governance standards, reduce overlapping compliance obligations and improve regulatory certainty. Such institutional coordination would strengthen investor confidence while promoting more effective implementation of corporate governance principles across the Nigerian corporate sector.

2. Proactive Regulatory Oversight and Compliance Supervision

A distinguishing characteristic of India's corporate governance framework is its emphasis on proactive regulatory supervision. Rather than relying predominantly on sanctions after governance failures have occurred, the Securities and Exchange Board of India (SEBI) adopts a supervisory approach that combines continuous monitoring, periodic compliance reporting, regulatory guidance and timely intervention. This preventive model encourages regulated entities to maintain compliance as an ongoing corporate responsibility rather than merely responding to enforcement actions after regulatory breaches have been detected. [28] Academic commentary similarly observes that India's regulatory philosophy has progressively shifted from reliance on voluntary governance norms towards a mandatory statutory framework supported by active regulatory supervision, thereby strengthening both regulatory certainty and investor confidence. [29]

The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 require listed companies to make periodic corporate governance disclosures, maintain properly constituted board committees, comply with board composition requirements and promptly disclose material corporate information. [30] Compliance is continuously monitored through mandatory filings, disclosure obligations and regulatory oversight, enabling governance deficiencies to be identified and addressed before they develop into significant corporate failures. This approach promotes regulatory certainty while reducing the likelihood of systemic governance failures.

By comparison, regulatory oversight in Nigeria remains largely enforcement driven. Although sector regulators possess adequate statutory powers to investigate, sanction and issue directives, regulatory engagement frequently becomes more visible after governance failures have occurred. While sanctions remain an essential regulatory tool, an overreliance on punitive enforcement may encourage minimum compliance rather than the development of a sustainable corporate governance culture. More proactive engagement through periodic governance reviews, regulatory guidance, compliance education and sector-wide governance assessments would encourage organisations to strengthen internal governance structures before regulatory intervention becomes necessary. Nigeria can therefore draw an important lesson from India's preventive supervisory model. Regulatory agencies should complement their enforcement powers with structured compliance monitoring, regular stakeholder engagement, governance awareness programmes and periodic corporate governance assessments. Such an approach would encourage voluntary compliance, strengthen investor confidence and promote a more sustainable culture of corporate accountability across regulated sectors.

3. Enhancing Board Independence through Board Evaluation and Accountability

India's corporate governance framework recognises that board independence is meaningful only where independent directors possess both the legal autonomy and the institutional capacity to exercise objective oversight over management. Accordingly, the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 complement the requirement for independent directors with mechanisms designed to strengthen board effectiveness through periodic evaluation, accountability and continuous governance oversight. [31] Section 149 of the Companies Act 2013 prescribes eligibility requirements for independent directors, while Schedule IV establishes a Code for Independent Directors, outlining their professional responsibilities, ethical obligations and oversight functions. In addition, section 178 requires the establishment of a Nomination and Remuneration Committee responsible for recommending board appointments and evaluating the competence and suitability of directors. These statutory safeguards are reinforced by the SEBI LODR Regulations, which require listed companies to undertake periodic board performance evaluations and disclose compliance with prescribed governance standards. [32] The emphasis on continuous board evaluation distinguishes India's governance framework from a system that merely requires formal board independence. By periodically assessing the performance of the board, its committees and individual directors, companies are better positioned to identify governance deficiencies, strengthen board effectiveness and promote greater accountability in corporate decision-making. Consequently, board independence is treated not as an end in itself but as part of a broader governance process aimed at improving oversight and organisational performance.

Nigeria can draw important lessons from this approach. While the Nigerian Code of Corporate Governance 2018 recognises the importance of independent directors and board evaluation, greater regulatory emphasis should be placed on ensuring that board evaluations are objective, periodically conducted and capable of improving governance outcomes rather than serving as routine compliance exercises. Strengthening board evaluation practices, enhancing the independence of board appointment processes and promoting continuous director development would contribute significantly to improving board effectiveness and corporate accountability within Nigerian companies.

4. Strengthening Institutional Capacity and Regulatory Effectiveness

India's corporate governance framework demonstrates that effective regulation depends not only on the existence of comprehensive legislation but also on the institutional capacity of regulatory agencies to supervise compliance consistently. The Securities and Exchange Board of India (SEBI) has evolved into a specialised and proactive regulator with extensive supervisory, investigative and enforcement powers under the Securities and Exchange Board of India Act 1992. These powers are complemented by the Companies Act 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, which together provide a coordinated framework for corporate governance supervision. [33]

Beyond enforcement, SEBI actively promotes regulatory effectiveness through periodic circulars, governance advisories, investor education programmes and continuous engagement with listed companies and market participants. This institutional approach has contributed to greater regulatory certainty, improved compliance culture and increased investor confidence within India's capital market. This comparative lesson suggests that Nigeria can learn from this institutional model. While Nigerian regulators possess comparable statutory mandates, greater emphasis should be placed on strengthening institutional collaboration, developing specialised corporate governance expertise, promoting continuous stakeholder engagement and enhancing regulatory capacity through technology-driven supervision and information sharing. Such reforms would improve governance compliance and strengthen the effectiveness of regulatory oversight across sectors.

5. Strengthening Minority Shareholder Protection

India has progressively strengthened minority shareholder protection through a combination of statutory remedies, specialised dispute resolution mechanisms and enhanced regulatory oversight. The Companies Act 2013 empowers shareholders to seek relief against oppression and mismanagement under sections 241 to 246, while the National Company Law Tribunal (NCLT) provides an accessible specialist forum for resolving corporate disputes involving minority shareholder interests. [34] These statutory protections are reinforced by the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, particularly through enhanced disclosure obligations and stricter regulation of related-party transactions involving controlling shareholders. Commenting on the expanded oppression and mismanagement remedies under the Companies Act 2013, Umakanth Varottil observes that the legislation considerably broadened the protection available to minority shareholders by extending the concept of prejudicial conduct while preserving judicial safeguards against abuse of the remedy. [35]

The availability of specialised institutional mechanisms enables minority shareholder grievances to be addressed more efficiently than through ordinary civil litigation, thereby strengthening investor confidence and discouraging abusive corporate practices. Consequently, shareholder protection in India extends beyond the recognition of legal rights to the provision of practical and effective mechanisms for enforcing those rights. Thus, Nigeria should consider valuable lessons from this approach by strengthening the accessibility and efficiency of existing shareholder remedies under the Companies and Allied Matters Act 2020. Consideration should also be given to developing specialised procedures for the expeditious determination of corporate governance disputes and encouraging greater regulatory intervention in appropriate cases involving minority shareholder oppression. Such measures would reinforce investor confidence and promote greater fairness within Nigeria's corporate governance framework.

6. Advancing Disclosure and Transparency Standards

Transparency and timely corporate disclosure constitute fundamental pillars of India's corporate governance framework. Recognising that informed investment decisions depend upon the availability of reliable and comprehensive corporate information, the Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 impose extensive disclosure obligations on listed companies relating to financial reporting, corporate governance practices, board composition, related-party transactions and material corporate events. [36] The SEBI LODR Regulations require listed entities to make periodic disclosures regarding corporate governance compliance, board committee composition, risk management, shareholding patterns, related-party transactions and other material information capable of influencing investment decisions. These obligations are reinforced by continuous disclosure requirements, thereby ensuring that transparency remains an ongoing corporate governance obligation rather than an annual reporting exercise. The Companies Act 2013 similarly strengthens corporate accountability by requiring comprehensive Board's Reports, enhanced financial reporting and disclosures relating to board evaluation and governance practices [37]

The Indian experience demonstrates that effective corporate governance extends beyond statutory disclosure requirements to ensuring that information disclosed is timely, reliable and useful for investors, regulators and other stakeholders. Continuous disclosure, coupled with active regulatory supervision, promotes market confidence and reduces information asymmetry between corporate management and shareholders. Nigeria can benefit from this approach by strengthening existing disclosure obligations under the Companies and Allied Matters Act 2020, the Nigerian Code of Corporate Governance 2018 and sector-specific governance regulations. Greater emphasis should be placed on improving the quality, timeliness and accessibility of corporate disclosures, while regulators should leverage digital reporting platforms and technology-driven supervision to facilitate continuous compliance monitoring. Such reforms would enhance corporate transparency, strengthen investor confidence and promote greater accountability within Nigeria's corporate governance framework.

Reform Imperatives for Strengthening Corporate Governance in Nigeria

The comparative analysis undertaken in this work demonstrates that Nigeria possesses a considerable number of legal and regulatory framework for corporate governance. However, the effectiveness of these frameworks will largely depend on deliberate institutional reforms capable of addressing the practical deficiencies identified in this study. Accordingly, the following reform imperatives are proposed.

1. Harmonise Corporate Governance Regulation through Institutional Coordination

To address the fragmentation of Nigeria's corporate governance framework, the Financial Reporting Council of Nigeria (FRCN**)** should take the lead in establishing a formal inter-regulatory Corporate Governance Coordination Forum comprising the Securities and Exchange Commission (SEC), the Central Bank of Nigeria (CBN), the National Insurance Commission (NAICOM), the National Pension Commission (PenCom), the Nigerian Communications Commission (NCC) and other sector regulators. The Forum should develop harmonised governance standards, issue joint implementation guidelines where appropriate and promote coordinated supervisory activities to minimise regulatory inconsistencies while preserving sector-specific regulatory requirements.

2. Institutionalise Proactive Regulatory Oversight and Compliance Supervision

The Securities and Exchange Commission (SEC), the Financial Reporting Council of Nigeria (FRCN) and sector-specific regulators should adopt a preventive regulatory model that complements enforcement with continuous compliance supervision. This should include periodic corporate governance reviews, governance advisory circulars, industry-wide compliance engagements, director and company training programmes, governance awareness campaigns and annual corporate governance performance assessments. Regulatory intervention should increasingly focus on preventing governance failures rather than merely sanctioning them after they occur.

3. **Strengthen Board Effectiveness through Mandatory Board Evaluation and Director Development**

The Financial Reporting Council of Nigeria (FRCN), in collaboration with the Securities and Exchange Commission (SEC) and recognised professional bodies such as the Chartered Governance Institute of Nigeria (CGIN), Institute of Directors (IoD) of Nigeria and other like-minded bodies should issue detailed standards governing periodic board evaluation, independent assessment of board performance and continuous professional development for directors. Companies should be required to undertake objective evaluations of the board, board committees and individual directors at prescribed intervals, with the outcomes informing board renewal, succession planning and governance improvement.

4. **Strengthen Institutional Capacity for Corporate Governance Supervision**

The Federal Government of Nigeria should provide adequate financial, technological and human resource support to the Financial Reporting Council of Nigeria (FRCN), the Securities and Exchange Commission (SEC) and other sector regulators to enhance their corporate governance oversight functions. Regulatory agencies should also strengthen inter-agency information sharing, develop specialised corporate governance units and deploy technology-driven supervisory tools capable of facilitating continuous monitoring, risk assessment and coordinated enforcement.

5. **Enhance Minority Shareholder Protection through Accessible Enforcement Mechanisms**

The National Assembly should consider further strengthening the shareholder protection provisions of the Companies and Allied Matters Act 2020, while the Corporate Affairs Commission (CAC) and the Securities and Exchange Commission (SEC) should develop simplified administrative procedures for resolving minority shareholder complaints involving corporate governance violations. The objective should be to ensure that statutory shareholder rights are supported by efficient, accessible and cost-effective enforcement mechanisms capable of promoting investor confidence.

6. **Improve Corporate Disclosure and Transparency Standards**

The Financial Reporting Council of Nigeria (FRCN), the Securities and Exchange Commission (SEC) and sector regulators should strengthen existing disclosure obligations by issuing enhanced reporting guidelines requiring timely, comprehensive and meaningful governance disclosures. Regulatory agencies should also deploy integrated digital reporting platforms capable of facilitating continuous compliance monitoring, improving regulatory transparency and enabling investors and other stakeholders to access reliable corporate governance information promptly.

The implementation of these reform imperatives would strengthen Nigeria's corporate governance framework by promoting greater regulatory coordination, improving institutional effectiveness, enhancing board accountability, protecting investors and fostering a more transparent and sustainable corporate governance culture capable of supporting long-term economic development.

Conclusion

The increasing complexity of modern corporate organisations has made effective corporate governance indispensable to sustainable economic development, investor confidence and institutional accountability. Although Nigeria has enacted extensive corporate governance legislation and regulatory codes over the past two decades, this study has demonstrated that the effectiveness of the country's governance framework continues to depend less on the existence of legal rules than on the quality of their implementation. The comparative analysis undertaken in this article establishes that the principal weaknesses within Nigeria's corporate governance regime are institutional rather than legislative. Regulatory fragmentation, inconsistent enforcement, limited board effectiveness, weak institutional capacity, inadequate protection of minority shareholders and deficiencies in corporate disclosure collectively undermine the attainment of the objectives which the legal framework seeks to achieve. These challenges demonstrate that the mere enactment of corporate governance legislation cannot, without effective institutional implementation, produce responsible corporate behaviour or sustainable corporate accountability.

India's experience provides valuable lessons in this regard. While the legal, economic and institutional environments of both jurisdictions differ, India's progressive emphasis on coordinated regulatory oversight, proactive compliance supervision, board accountability, shareholder protection and enhanced transparency illustrates that effective corporate governance is ultimately driven by strong institutions rather than by statutory provisions alone. The comparative value of India's experience therefore lies not in providing a model for wholesale transplantation but in demonstrating practical governance mechanisms capable of being adapted to Nigeria's regulatory and institutional realities. Accordingly, this article argues that the next phase of corporate governance reform in Nigeria should move beyond legislative expansion towards strengthening regulatory institutions, improving inter-agency coordination, enhancing corporate governance supervision and cultivating a culture of voluntary compliance. Such an approach would better position Nigeria to achieve the fundamental objectives of corporate governance, namely accountability, transparency, responsible corporate leadership and long-term corporate sustainability.

Ultimately, the effectiveness of any corporate governance system is measured not by the sophistication of its legal framework but by the willingness and capacity of its institutions to enforce that framework consistently, fairly and proactively. It is only when legal rules are supported by credible institutions, ethical corporate leadership and sustained regulatory commitment that corporate governance ceases to be a statutory aspiration and becomes an operational reality capable of inspiring investor confidence, protecting stakeholder interests and driving sustainable economic development.

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