

EPISODE 12



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TOPIC

MAINTAINING STATUTORY AND REGULATORY COMPLIANCE

GUEST



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INTRODUCTION

Statutory and Regulatory compliance is important to the Nigerian workforce and the job market in general because both statutory and regulatory requirements are required by law. Both laws are passed by the government and once the law is passed, the citizens need to abide by them and failure to abide by the laws could be termed as a criminal offence. The laws are enforced for the smooth running of any activity in the country.

Difference between Statutory and Regulatory laws

Statutory Law refers to laws passed by a State or Central Government while Regulatory Laws are laws issued by regulatory bodies appointed by the State or Central Government. For example, reference the Covid-19 experience, the Nigerian Centre for Disease Control (NCDC) made regulations as an agency of the government under the Federal Ministry of Health and the Nigerian citizens were made to comply with the protocols, meanwhile these protocols are not listed in any enacted law like the Constitution. So, they are regulations that can be referred to as supplementary laws that will enable the implementation of the basic laws.



Another example is INEC which is empowered by the Constitution of Nigeria to manage the electoral process in Nigeria and they also have the leverage to come up with regulations that will ensure they are effective in their services.

In the professional cycle, the Chartered Institute of Personnel Management of Nigeria is the sole regulatory body for the practice of human resource management in Nigeria. What that means is that anyone who claims to be practising human resource management in Nigeria and is not a member of CIPM can be referred to as quack. So, corporate organisations and major stakeholders are, therefore, advised to encourage their staff practising human resource management in their various organisations who are not yet members of the Institute, to register and be enlisted as members; if not they would be supporting lawlessness.



Employment-related laws are not totally different from these regulations because it is made up of several federal and state decrees, administrative regulations and even judicial decisions. Example of employment law enacted as protective labour legislation is minimum wage regulations. Recently, the minimum wage was raised from N18,000 to N30,000 per month and that is the law but implementation is another thing.



There is also the International Labour Organisation (ILO) Convention which came up in 1919 and is ready to advance social and economic justice through certain international standards and laws. Some of the recommendations can be applied when handling labour-related matters. Others are the Labour Act, Trade Union Amendment Act, Trade Dispute Act, etc.

There are also different kinds of laws that can help in managing the relationship in that sector of our national life as regards employment because the whole essence of having laws and regulations is to ensure that relationships are upheld. Some of such laws are Employee Compensation Act, the Factories Act, National Housing Fund Act, Pensions Reform Act and basically the Labour Law Act.

Some statutory and regulatory requirements organisations must be aware of and comply with are stated in Section 17(3) of the Nigerian Constitution 1999 as amended, which states that the State shall direct its policy towards ensuring adequate means of livelihood; and that conditions of work should be humane with adequate facilities for leisure, social, religious and cultural lives provided, health, safety and welfare of all persons in employment are safeguarded and not endangered or abused including provisions for public assistance for deserving cases. Section 16 of the 1999 Constitution (amended) also stipulates that we should have a reasonable minimum wage, not just minimum wage determined by the economy, care for the old, pension for all citizens, all these provisions are clearly stated and can be followed. So, all these can be found as springboard forming our labour and employment laws.



Things to note:

- Forced Labour is illegal: A written contract must be given to an employee within 3 months of resumption to guide the relationship between both parties
- Wages and Salary must be paid as at when due

- Average working hours must be considered
- Holidays must be granted
- Maternity and paternity leave. Employers should consider paternity leave for Fathers as it is being considered for Mothers

Key things employers and employees should know about tax laws

- It is your primary responsibility to pay tax before you can enjoy the privilege of the infrastructural development and the basic amenities that come with it
- Employers should ensure they remit the taxes to the relevant quarters
- For those that run small-scale businesses who really do not know how much to pay for tax or how to pay their taxes, you can go to the bank, do a self-assessment and pay using the specified rates



Value of paying taxes

- It portrays you as a decent citizen
- It is your primary responsibility so don't consider it as a cost
- As you demand value from society, you must also add value to society

To start a business in Nigeria, the following are the basic statutory requirements that must be followed:

- Register your business with Corporate Affairs Commission (CAC)
- Register with tax agencies e.g. at the federal level, FIRS, then at the State level, local government

- Find out some of the permits you need from the local government area where you intend to operate
- Don't start paying tax immediately after you start your business. That window is there for you as support as a starter.
- Get the documentation ready to enable you obtain your Tax Identification Number (TIN) which will become relevant for you to open a bank account and to observe corporate governance.
- Keep your books well
- If you want to run a structured business, embark on what is called pillars of business as a growth survival profitability, employee satisfaction and corporate social responsibility because apart from making profit in your business, you also need to give back to society.
- Consult experts and professionals to guide you especially if you need any special registration



In conclusion, both statutory and regulatory laws are for the good of the people. CIPM embarks on continuous training to engage practitioners to upscale their knowledge base. There are different kinds of approaches to evaluate what goes on within the environment. At the regulatory level, we push out the best practice globally. We have a sound legal framework and practice guide at CIPM and that is why we are advising that corporate organisations who are interested in productivity and to be in tune with the global expectations, must ensure that those practising human resource management in their organisations are members of the Institute so that they can add value.
