



THE IMPERATIVES OF FRAMEWORK REFORM IN THE DIGITAL ECONOMY OF NIGERIA

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Abstract

Developments in Information and Communication Technology, increasing mobile telephony and internet penetration, and the emergence of new technologies such as Artificial Intelligence and block-chain have radically revolutionised the manner of transacting businesses and providing services in Nigeria. E-commerce, digital payment platforms and online services are rapidly displacing traditional commerce and traditional payment systems. Digital technologies have introduced diverse innovations and have obliterated, albeit, borders imposed on commerce under the traditional economic system, but has expanded the Nigerian economy, enhanced transactional efficiency, and created opportunities for employment and digital skills development. At the same time, these innovations have precipitated new legal challenges that seem to have outpaced extant law, making legal reform a desideratum. The paper therefore, critically examined the holistic ramifications of the subsisting digital economy in Nigeria as well as analysed gaps in extant law capable of undermining the effectiveness of e-commerce, erode confidence in digital payment systems, and expose the digital economy and players therein to legal uncertainties, abuse, fraud, and privacy breaches. The authors further argued that given the hurried pace of development in the Nigerian digital economy ecosystem, certainty and currency in the law are necessary for enhancing confidence, minimising disputes and ensuring legal predictability. The paper concluded with prescriptions for legal reforms for filling identified blanks in the law and for strengthening the Nigerian economy for growth and development.

Keywords: Digital payment system, economy, Innovation, e-commerce, artificial intelligence

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1. Introduction

The digital economy is the entirety of all online economic activities. It refers to all economic activities that involve the use of information and Communication (ICT) to facilitate the creation, marketing and consumption of goods and services.¹ Also known as the internet economy or web economy,² the digital economy connects peoples, businesses, communities and customers through the internet.³ It is driven by a combination of technologies which include the Internet of Things (IoT), big data, Artificial Intelligence (AI), cloud computing, and etcetera.

Studies have shown that, to become an emerging economy, digitisation is a significant contributor.⁴ In fact, one major aspiration of many nations, especially the developing ones, is to transform into the class of emerging markets, a class close to the status of being a developed country.⁵ This is because digitisation creates jobs, increases productivity and enhances the quality of life.⁶ Research has shown that digitisation possesses the capability to enhance GDP growth.⁷ For example, research indicates that a 10 percent increase in internet penetration can produce a 0.9 to 1.5 percentage point growth in GDP.⁸ Similarly, a study in which some 107 countries were examined across

¹ O Agboola, 'Nigeria's Budding Digital Economy: Coping with Disruptive Technology' (2022) *Economic and Financial Review*, 33.

² B C Oja-Ogbuagu, 'An Assessment of State of Digital Economy Development in Nigeria: A Survey' paper presented at the International Conference on Communication and E-System for Economic Stability, 2023, 380-392, 381.

³ *Ibid.*

⁴ G Myovella, M Karacuka, and J Haucap, 'Digitalization and Economic Growth: A Comparative Analysis of Sub-Saharan Africa and OECD Economies' (2020) *Telecommunication Policy*, 44(2) <<https://doi.org/10.1016/j.telpol.2019.101856>> accessed 16 October 2025.

⁵ OP Olofin, 'Digital Economy, Institutional Quality and Economic Growth in Selected Countries' (2023) *CBN Journal of Applied Statistics*, 25-46, 25.

⁶ F Habibi and MA Zabardast, 'Digitalization, Education and Economic Growth: A Comparative Analysis of Middle East and OECD Countries' (2020) 63 *Technology in Society* <<https://doi.org/10.1016/j.techsoc.2020.101370>> accessed 16 October 2025.

⁷ TD Stanley, H Doucouliagos and P Steel, 'Does ICT Generate Economic Growth.? A Meta-regression Analysis' (2018) 32(3) *Journal of Economic Surveys*, 705-726; J Remes, J Mischke and M Krishnan 'Solving the Productivity Puzzle: The Role of Demand and the Promise of Digitization (2018) McKinsey Global Institute, Washington, DC.

⁸ P Koutroumpis, 'The Economic Impact of Broadband on Growth: A Simultaneous Approach' (2009) 33(9) *Telecommunications Policy*, 471-485; N Czernich, 'Broadband Infrastructure and Economic Growth'. Center for Economic Studies Information and Forschung (CESIFO), University of Munich. Working Paper Number 2861, 2009

the world showed that ownership of computers and mobile phones by citizens, and access to the internet, positively impacted economic growth.⁹

In Nigeria, the digital economy has been identified as an important contributor to economic growth and development. It is considered a major pathway for diversifying the oil-dependent Nigerian economy.¹⁰ The large youth demography and the fact that Nigeria is the most populous African nation are factors that would, without doubt, give impetus to the digitisation of the Nigerian economy.¹¹ Aside from the ease, convenience and security that characterise digital payments, and the fact that the digital economy is immune from the boondoggle of geographical limitation that attends the traditional economy, digitisation has also enhanced transactional efficiency in Nigeria. In addition to all these, the digital economy has created and continues to create jobs for many in Nigeria, especially the youth.

As the digital economy evolves in Nigeria, new legal issues arise owing to blanks in extant law. Technological innovations which are the enablers of the digital economy appear to outpace the law in Nigeria. The buying and selling of goods on online marketplaces have presented legal issues that constitute no challenge to traditional sale of goods. While digital payment glitches have become part of everyday life, legal rules for determining liability for injuries resulting therefrom are hazy. Though the number of remote workers employed within and beyond the borders of Nigeria keep rising, their tax liabilities under extant tax laws remain unclear. So is the question whether such workers are employees or self-employed, a question that impinges upon their labour rights. With the increasing deployment of AI in the process of work in Nigeria, there is uncertainty

⁹ K Vu, 'ICT as a Source of Economic Growth in the Information Age: Empirical Evidence from the 1996 - 2005 Period' (2011) 35(4) *Telecommunications Policy*, 357 – 372.

¹⁰ Z Usman, *Economic Diversification in Nigeria: The Politics of Building a Post-Oil Economy* (Bloomsbury Publishing, 2022) 1; L Oyelami and P Alege, 'Macroeconomic Implications of Trade Diversification in Nigeria' (2018) 9(1) *CBN Journal of Applied Statistics*, 23-45; IO Ibam, OK Boyinbode and MO Afolabi, 'E-Commerce in Africa: The Case of Nigeria' (2017) 4(15) *EAI Endorsed Transactions on Serious Games*, 1-2.

¹¹ E Gagnon, BK Johannsen and D López-Salido, 'Understanding the New Normal: The Role of Demographics' (2021) 69 *IMF Econ Rev.*, 5; KG Akintola, RO Akinyede and CO Agbonifo, 'Appraising Nigeria's Readiness for E-commerce Towards Achieving Vision 20:2020 (2011) 9(2) *IJRRAS*, 330-340; J Daniels, 'Why We Should Drive It Home for the Nigerian Youth' *Vanguard Newspapers* (16 January 2022) <<https://www.vanguardngr.com/2022/01/why-we-should-drive-it-home-for-the-nigerian-youth/>> accessed 18 August 2025.

regarding where liability lies for injuries caused by these autonomous, intelligent systems.

This paper will critically appraise the digital economy in Nigeria and examine the current state of the internet economy in Nigeria. It will identify novel legal issues arising from the fast-growing digitisation of the Nigerian economy. The paper will then propose reforms in the law that will infuse the Nigerian digital economy with legal certainty and enable the country optimise the gains of this boundless economy.

2. Appraisal of the Digital Economy in Nigeria

With a population estimated to be over 220 million, Nigeria's population is roughly half of that of West Africa.¹² The country has one of the largest youth populations in the world and is projected to become the fourth most populous country in the world in the future.¹³ As already alluded to, this large youth population has immense impact on the growth and expansion of the digital space in Nigeria. This large youth population has attracted the interest of various tech giants from the Global North who consider the country an invaluable market for digital products and a limitless pool of tech talents. Major components of the Nigerian digital economy considered herein include digital payment systems, electronic commerce (e-commerce), AI and remote work (telework).

I. E-Payment Systems

It would appear that the most impactful aspect of the digital economy in Nigeria is the digitisation of payments through e-payments systems. An e-payment system is an automated process of exchanging monetary values between parties in business transactions and transmitting this value over the ICT network.¹⁴ It is 'an operational network governed by laws, rules and standards that links bank accounts and provides the functionality of monetary exchange using bank deposits.'¹⁵ It refers to the use of automated channels for making payments for goods and services and other financial transactions involving businesses, individuals, and governments through electronic

¹² US International Trade Administration, 'National Focus: Nigeria's Digital EC Strategy' <<https://www.trade.gov/country-commercial-guides/nigeria-digital-economy>> accessed 20 October 2025.

¹³ *Ibid.*

¹⁴ See, generally, OR Eze and O Nwankwo, 'Electronic Payment in Cashless Economy of Nigeria: Problems and Prospects' (2013) 5(1) *Journal of Management Research*, 138-151.

¹⁵ IG Bagudu and UC Okolie, 'Analysis of Prospects and Challenges of E-Payment Systems in Nigeria' (2022) 11(1) *Journal of Business*, 39

networks.¹⁶ In other words, e-payment systems make possible online payments for the purchase of goods and services or the settlement of some other financial obligations without a physical transfer of cash.¹⁷

With advancements in e-payment technology, various e-payment platforms and payment processing devices have been developed and deployed in Nigeria to improve and secure payments while reducing the percentage of cash and cheque transactions. These platforms are usually referred to as e-payment channels. An e-payment channel is a platform that facilitates the secure and effective transfer of money in return for goods, services, and financial assets and for the settlement of other financial obligations using deposits in a bank account. These channels are varied and continue to increase in number with developments in ICT. Due to the rapid growth of the digital economy in Nigeria, Fintech companies providing digital payment services have proliferated over a short period of time, constituting 50 percent of all financial services providers.¹⁸ Major e-payment channels currently used in Nigeria for making payments include Electronic Bank Transfers, Automated Teller Machines (ATM), and Point of Sale (POS) terminals.

II. E-Commerce

E-commerce refers to transactions that occur remotely over distances without the necessity of physical presence or paper work by the instrumentality of the internet.¹⁹ It involves the use of the internet for marketing, identification, payment and delivery of goods and services. Through e-commerce, it has become possible to bank, invest, make purchases, distributes goods and research markets from anywhere and anytime.²⁰ It is currently the most affordable means of having the widest reach of customers and clients

¹⁶ BG Kim and S Lee, 'Factors Affecting the Implementation of Electronic Data Interchange in Korea, (2008) 24 *Computer in Human Behaviour*, 263-283; P Ifinedo, 'Facilitating the Intention to Expand E-Business Payment Systems use in Nigerian Small Firms: An Empirical Analysis' in P Ifinedo *E-Business: Applications and Global Acceptance* (Tech Open Access publisher 2012) 1-22; S Sumanjeet, 'Emergence of Payment Systems in the Age of Electronic Commerce: The State of Art' (2009) 2(2) *Global Journal of International Business Research*, 17-36.

¹⁷ *Ibid.*

¹⁸ CG Nkechika, 'Digital Financial Services and Financial Inclusion in Nigeria: Milestones and New Directions' (2022) 6(4) *CBN Economic and Financial Review*, 151-168, 151.

¹⁹ MM Suleiman and others, 'Review of E-commerce Applications in Nigeria: Benefits and Challenges' (2024) 11(11) *International Journal of Research*, 15-25, 19.

²⁰ KG Anup, 'Securing E-commerce: A systemic approach' (1997) 2(4) *Journal of Internet Banking and Commerce*, 7-15; AO Ayo, 'Emergence of Payment Systems in the Era of E-commerce in Nigeria: Problems and Prospects' (2011) 1(6) *Delta Business Education Journal*, 64-72.

across the world.²¹

E-commerce has diverse advantages over conventional commerce. Its ubiquity ensures that almost everyone with internet access can access the market from anywhere in the world through their personal computers, laptops, tablets, and mobile phones.²² It has a universal reach in the sense that transactions could be carried out across cultural and national boundaries, doing away with the barriers of distance.²³ E-commerce also ensures that buyers and sellers of goods and services have access to a suffix of information due to the high information density of the internet. Again, it enables personalisation or customisation by making it possible for promotional materials and advertisements to target particular persons or populations by using their names, purchase histories and past areas of interest.²⁴

In Nigeria, e-commerce is fast-evolving as smartphone and internet penetration deepens, especially in the more commercial parts of the country.²⁵ The restrictions that accompanied the Covid-19 pandemic catalysed the adoption of e-commerce platforms for commercial transactions in the country.²⁶ Across Nigeria, Start-ups are springing up, leveraging on the constantly increasing number of people with internet access.²⁷ Online retailers Jumia, Konga and Temu, are in the meantime, the linchpin of e-commerce in Nigeria, seamlessly connecting millions of Nigerians to global market-places. The rapidly increasing number of people involved in e-commerce in Nigeria, and the role played by these online retailers has made Nigeria a centre of e-commerce innovation in Africa.²⁸

III. Remote Work

Remote work or telework is yet another way through which developments in ICT have

²¹ EM Agwu and PJ Murray, 'Empirical Study of Barriers to Electronic Commerce Uptake by SMEs in Developing Economies' (2015) 6(2) *International Journal of Innovation in the Digital Economy*, 1–19.

²² KU Egbele-Okoro, *Challenges of Business to Consumer E-Commerce in Nigeria* (Huddersfield 2020) 1-2.

²³ *Ibid.*

²⁴ *Ibid.*

²⁵ UC Okolie and AH Ojomo, 'E-Commerce in Nigeria: Benefits and Challenges' 28(2) *Humanities and Social Sciences*, 69-90, 70.

²⁶ CC Ugwu and A Ogbo, 'The Implications of Legal and Policy Frameworks for E-Commerce in Nigeria' (2021) 45(2) *CBN Bullion*, 73-80, 77.

²⁷ *Ibid.*

²⁸ E Igwe, A Olumuyiwa and O Abass, 'A Review of E-Commerce Adoption in Nigeria based on Security and Trust' (2020) 5(1) *Journal of Science and Logics in ICT Research*, 120-134, 120-121.

impacted the digital economy in Nigeria. Work is remote when it is carried out outside the physical location of the workplace, enabled by ICT.²⁹ Remote work involves the use of such devices as smartphones, tablets, laptops or desktop computers to work from outside the premises of the employer.³⁰ This work arrangement has been embraced because of its facility for work-life balance, a reduced commuting time, and the flexibility it affords in juggling employees personal and professional obligations³¹

While telework has been practised for many years in some developed parts of the world,³² it was the restrictions necessitated by the Covid-19 Pandemic that made it popular in developing countries, including Nigeria. A 2022 International Labour Organisation (ILO) Report indicates that 36 percent of about 750,000 employees from about 1000 enterprises surveyed did telework during the pandemic.³³ The Report predicted that in the future, work in Africa would be hybrid—in-person and remote,³⁴ marking a departure from the traditional onsite work arrangement. A study jointly conducted by the Nigeria Employers' Consultative Association (NECA) and the ILO shows that about 52% of businesses surveyed acknowledged adopting telework arrangements to ensure continuity of work during the pandemic in Nigeria, while 56% indicated their disposition to adopt a hybrid of onsite and remote work in the post Covid-19 era.³⁵

In Nigeria the restrictions imposed on movement while the pandemic lasted necessitated government and firms to make remote work arrangements that would enable employees continue with work remotely, where possible. Work-from-home guidelines were rolled

²⁹ BQ Adeoye, 'Remote Work in Nigeria: Imperative for Legislative Intervention' (LL. M Dissertation, University of Lagos, 2024) 1; International Labour Organisation, 'Defining and Measuring Remote Work, Telework, Work at Home and Home-based work' <<https://www.ilo.org/publications/defining-and-measuring-remote-work-telework-work-home-and-home-based-work>> accessed 22 October 2025.

³⁰ JC Messenger (Ed.), *Telework in the 21st Century: An Evolutionary Perspective* (Edward Elgar Publishing 2019) 2.

³¹A Felstead and G Henseke, 'Assessing the Growth of Remote Working and its Consequences for Effort, Wellbeing and Work-life Balance' (2017) 32(3) *New Technology, Work and Employment*, 195-212.

³² Adeoye (n 29) 1.

³³ International Labour Organisation, *The Next Normal: The Changing Workplace in Africa* <https://www.ilo.org/wcmsp5/groups/public/ed_dialogue/act_emp/documents/publication/wcms_844770.pdf> accessed October 12, 2025.

³⁴ *Ibid.*

³⁵ Adeoye (n 29) 20.

out by both the Federal Government³⁶ and State Governments³⁷ to curtail the spread of the corona virus. While Covid-19 guidelines and policies abated after the pandemic, both governments and firms have continued to take advantage of other benefits of remote work besides disease control. In the wake of the hardship occasioned by the abrogation of subsidy by the Federal Government, the Lagos State Government in February 2024, for example, directed workers on Grade Level 10 to 14 to work from home for two days in a week, while those on Grade Level 15 to 17 were to work one day from home in a week.³⁸ On 9 September 2024, the Ekiti State Government issued a similar work-from-home policy, for the same reason as the Lagos State Government, excluding only such essential workers as teachers, healthcare personnel, and security personnel.³⁹

Beyond remote work involving Nigerian employers, there are also a growing number of cross-border remote workers working for employers located beyond the shores of Nigeria who are an integral part of Nigeria's gig economy. The post Covid-19 era has been marked by a surge in the global demand for skilled human resources.⁴⁰ With the largest youth population in the world, and with a median age of 18.1 years, Nigeria finds itself in the best position to take optimal benefit of this demand.⁴¹ The high rate of unemployment in Nigeria is another factor that will encourage Nigerians to turn to remote cross-border employment.⁴² Expectedly, many Nigerians have embraced remote work with foreign organisations. With digital platforms like Upwork, Fiverr and LinkedIn, Nigerians connect with and secure remote jobs in diverse industries across the globe, providing both

³⁶ The Federal Government, pursuant to sections 2, 3 and 4 of the Quarantine Act, issued the Covid-19 Regulations, 2020 while the Centre for Disease Control (CDC) issued the Guidelines for Employers and Businesses in Nigeria. See Federal Ministry of Health, 'Guidelines for Employers and Businesses in Nigeria' (2020) <https://covid19.ncdc.gov.ng/media/files/COVID19GuideforBusinesses_1.pdf> accessed on October 20, 2025.

³⁷ The Lagos State Government, for example, issued the Lagos State Infectious Diseases (Emergency Prevention) Regulations, 2020

³⁸ Adeoye, *supra*, at Pp. 20, 21

³⁹ A Nejo, 'Oyebanji Approves Work-from-home Policy for Ekiti Workers' (*The Punch*, September, 2024) <<https://www.punch.com/oyebanji-approves-work-from-home-policy-for-ekitiworkers/>> accessed October 20, 2025.

⁴⁰ D Dan-Awoh, 'How Nigerians Earn Forex from Remote Work Opportunities' <<https://punchng.com/how-nigerians-earn-forex-from-remote-work-opportunities/>> accessed 25 October 2025.

⁴¹ *Ibid.*

⁴² I Onyemere and others, 'The Adoption of Remote Working Practices in the Nigerian Banking Sector: Are they Ready?' (2024) 13(3-4) *International Journal of Management, Economics and Social Sciences*, 91-115, 99-101.

freelance and full-time professional services.

IV. AI in Work and Industry

With the impacts AI technologies have made on national economies, they are considered, not only a significant part of the digital economy, but an important aspect of the Fourth Industrial Revolution (4IR).⁴³ AI technologies are technologies that display intelligent behaviour by analysing their environment and, with some degree of autonomy, are massively deployed to achieve specific goals.⁴⁴ They are machine-based tools and systems that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments.⁴⁵ These technologies possess the capability to perform specific job roles performed by humans within the workplace.⁴⁶

Because the digital economy thrives on electronic communication, information technologies, automation and virtualisation of activities, it is a fertile ground for the use of AI systems.⁴⁷ According to Sam Altman, the CEO of ChatGPT creator OpenAI, Nigeria is the biggest adopter of AI in Africa.⁴⁸ The World Bank has noted that Nigerian start-up ecosystem, especially in the finance, health and agriculture sectors, are major drivers of the Nigerian economy and that these businesses apply AI technologies for

⁴³ A Jaldi, 'Artificial Intelligence Revolution in Africa: Economic Opportunities and Legal Challenges', Policy Paper, Policy Centre for the New South, 2023, 5; K Shwab, 'The Fourth Industrial Revolution, what it Means, How to Respond' <<http://www.eforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond>> accessed on 12 October 2025.

⁴⁴ European Commission, *Artificial Intelligence for Europe* <<http://europeansources.info/record/communication-artificial-intelligence-for-europe/>> accessed 8 October 2024.

⁴⁵ OECD, *Recommendation of the Council on Artificial Intelligence*. OECD Legal Instruments <<https://www.legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0449>> accessed 29 October 2025.

⁴⁶ YK Dwivedi and others, 'Artificial Intelligence (AI): Multidisciplinary Perspectives on Emerging Challenges, Opportunities and Agenda for Research, Practice and Policy' (2021) 57 *International Journal of Information Management* <<http://www.sciencedirect.com/science/article/abs/pii/S026840121930917X?via%3Dihub>> accessed 29 October 2025.

⁴⁷ EM Kacperska and others, 'The Consequences of Implementing Artificial Intelligence Technology in the Digital Economy from the Perspective of Generation Z' (2024) 27(3) *European Research Studies Journal*, 1039-1057, 1040.

⁴⁸ O Oyewole, 'Spotlight on AI Development in Nigeria' <https://www.dlapiper africa.com/export/sites/africa/nigeria/Downloads/Spotlight-on-AI-Development-in-Nigeria.pdf_2063069299.pdf> accessed 29 October 2025.

solving various local problems.⁴⁹ Fintech companies in Nigeria have deployed AI systems to provide various solutions such as customer service automation, fraud detection, and credit scoring.⁵⁰ A growing number of Chatbots have been developed for providing solutions to a myriad of economic and financial challenges. A good example is the popular Kudi AI which has, in no little way, extended financial services to underserved populations in Nigeria.⁵¹

3. Emerging Legal Issues

Globally, the development of the digital economy has been accompanied by novel legal issues,⁵² for instance, issues not contemplated under the traditional economy. Nigeria is no different. While some of these emergent legal issues have not yet come before Nigerian courts for determination, they are bound to come as the Nigerian digital economy ecosystem expands. In this section, these legal issues are identified and discussed.

I. Formation of Online Contracts

Like transactions concluded in the traditional economy, all transactions concluded online for the buying and selling of goods and services involve the formation and performance of a contract between the parties to the transactions. For a contract to come into existence there must be offer and acceptance. Most important in the formation of a contract is the moment of acceptance of an offer for it is at this moment that a contract is consummated. While in the traditional economy what constitutes an offer and the moment of its acceptance are settled,⁵³ what amounts to an offer and its moment of acceptance in most online commercial transactions pose considerable legal difficulties. For contracts concluded by email, there is legal uncertainty regarding the moment of acceptance and as such the moment when a contract was concluded between the parties. There is a

⁴⁹ World Bank, 'Digital Economy for Africa: Nigeria's Progress Report' <<https://www.worldbank.org>> accessed 3 October 2025.

⁵⁰ PwC, 'Nigeria's Startup Ecosystem Report' <<https://www.pwc.com/ng>> accessed 30 October 2025.

⁵¹ AG Terziu, 'Coming to Life: Artificial Intelligence in Africa. Atlantic' <<http://www.atlanticcouncil.org/in-depth-research-reportssue-brief/coming-to-life-artificial-intelligence-in-africa/>> accessed 30 October 2025.

⁵² See S Bashir, FS Khan and AS Khan, 'Invitation to Treat in the Law of Contract' (2020) 8(7) *International Review of Social Sciences*, 230-240, 233.

⁵³ See *Entores v Miles Far East Corporation* [1955] 2 QB 327.

dichotomy of opinion between the moment an email was sent and the moment it was received as the moment of acceptance of an offer made by email.⁵⁴ Except for acceptance by post,⁵⁵ every other acceptance is deemed to take place the moment the offeror hears or receives the offeree's acceptance.⁵⁶ There is, therefore, no legal rule that supports the proposition that an offer is accepted by email when the mail accepting the offer is sent. It is legal to say that acceptance occurs when the email conveying acceptance is received.

Contracts of sale of goods concluded online present even more difficulties. Thousands, if not millions, of orders are placed in Nigeria daily by consumers on such retail platforms as Jumia, Konga and Temu. Consumers make their choices from goods displayed on these platforms, place orders and make payments for them online. The question arises as to what constitutes offer and acceptance, and the moment when a contract of sale of goods is entered into. In the law of contract, the display of goods on shelves does not constitute an offer, but rather an invitation to treat.⁵⁷ It would appear that the display of goods on webpages would also constitute an invitation to treat rather than an offer.⁵⁸ If this is correct, then an offer is made by the buyer when, having made his selections, he places an order for goods selected. But at what point would acceptance occur to conclude a contract of sale of goods between the parties, the moment the order is confirmed by the retail platform or the moment payment is requested on the payment page? The Nigerian legislation is yet provide an answer to this question.

II. Conditions Implied by Statute

By the very nature of online sale of goods, all goods are essentially sold by description because the buyer does not get the opportunity to physically examine them until they are delivered. The pictorial representation of goods for sale on web pages and the use of words which describe them as to quality, quantity, colour, dimensions, and etcetera,

⁵⁴ T Orimobi, 'The Growth of E-commerce in Nigeria: A Brief Overview' <<http://www.tolelegalgroup.com/wp-content/E-commerceArticleThegrowthofe-commercinigeria-ABrief>> accessed 30 October 2025.

⁵⁵ See the rule in *Adams v. Lindsell* [1818] 1 B & Ald 681.

⁵⁶ *Brinkibon v Stahag Stahl und Stahlwarenhandels Gmbh* [1982] 1 All ER 293.

⁵⁷ *Berliet Nigeria Ltd v Francis* [1987] 2 NWLR (Pt. 58) 673; *Fisher v Bell* [1961] 1 QB 394; *Pharmaceutical Society of Great Britain v Boots Cash Chemists (Southern) Ltd.* [1953] 2 WLR 427.

⁵⁸ S Bashir, FS Khan and AS Khan, 'Invitation to Treat in the Law of Contract' (2020) 8(7) *International Review of Social Sciences*, 230-240, 231-232; D Taylor, *Contract Law Directions* (Oxford University Press 2019) 2-3.

constitute description. Cases do arise where goods bought online differ in material respects from the descriptions given online when they are subsequently delivered. For conventional sale of goods, such situation is addressed under section 13 of the Sale of Goods Act, 1893. The section contains an implied condition that goods sold by description shall correspond with the description they are delivered. It is pertinent to point out that while the section may adequately cover goods sold online by description, this has not yet been pronounced upon by Nigerian courts and the Sale of Goods Act, a 19th century legislation, did not contemplate sale of goods via the internet.

The provisions of section 14(1) of the Sale of Goods Act present yet another legal issue when applied to online sales. Under the section, there is an implied condition that goods will be fit for the purpose for which they are required where the buyer had, either expressly or by implication, made known to the seller the particular purpose for which the goods are required. The provision on disclosure to the seller of the purpose for which the goods are required presupposes the possibility of communication between the parties to the contract of sale of goods. Where communication is impossible, therefore, the implied condition as to fitness for purpose will not apply.

In online sales, buyers make their selections from goods displayed on websites by retail companies like Jumia, Konga and Temu. Unlike in conventional sale of goods, such buyers are not usually provided any facilities for communication with sellers. In those circumstances, therefore, it is impossible to ‘make known’ to the seller the particular purpose for which the goods are required. An online buyer in those circumstances is, therefore, not availed the implied condition as to fitness for purpose having not made known to the seller the particular purpose for which the goods are required. But where the goods can only be required for only one purpose, the implied condition as to fitness for purpose will apply if they are not fit for that purpose.⁵⁹

III. Electronic Payment Failures

Digital payment systems have pulled down the physical and territorial barriers set up by the traditional markets and reduced the world into a global marketplace accessible to

⁵⁹ See *Priest v. Last* [1903] 2 K.B. 148; *Grant v. Australian Knitting Mills* [1936] A.C. 85.

everyone irrespective of location.⁶⁰ Studies indicate that transactions cost could be reduced considerably by a wide-scale adoption of e-payment.⁶¹ Such studies have also demonstrated that e-payment is a catalyst for higher consumer spending,⁶² and an indicia for assessing domestic confidence in an economy.⁶³ E-payments systems have brought about convenience and ease in the making of payments in Nigeria and decreased the percentage of cheque and cash transactions.

E-payment systems are, however, not immune to electronic glitches that could result in payment failures. The system may decline payment and yet debit an accountholder. It may also debit the accountholder but fail to give value to the beneficiary. There have been complaints about e-payment failures and the delay by banks in reversing unsuccessful payment transactions within the time limited by the Central Bank of Nigeria (CBN) for doing so.⁶⁴ In many instances, bank customers experienced delays of more than a month before their failed transactions were reversed.⁶⁵

Digital payment failures have legal implications for commercial transactions. With respect to purchases for which payments need to be made in order to have them concluded, a failed e-payment has legal implications for the buyer in a contract of sale of goods. As would be seen presently, failure to pay for the goods could cause the seller to refuse delivery to the buyer. Where the goods are already delivered to the buyer, a failed e-payment could entitle the seller to sue for the price of the goods and for damages for breach of contract, especially where, by the contract of the parties, time of payment is of the essence. Such failure of payment could also entitle the seller to resale the goods.

In contracts of sale of goods, delivery of goods by the seller and payment of the price are concurrent conditions.⁶⁶ This means that the seller of goods must be ready and willing to deliver possession of the goods in exchange for the price, and the buyer must be ready

⁶⁰ A Adigbe, 'Legal and Institutional Frameworks for E-Commerce in Nigeria' being paper delivered at the Bankers House, Lagos on Wednesday, 9 June, 2010, 1-8.

⁶¹ ZA Aziz, 'Towards a more Efficient Payment System – Electronic Payments' (2008) 69 *BIS Review*, 1-5.

⁶² *Ibid* at 1.

⁶³ Adigbe (n 60) 5.

⁶⁴ B komolafe and E Adegbesan 'Failed Transactions: Banks, Others Trade Blame as Customer's Agony Persists' <<https://www.vanguardngr.com/2023/06/failed-transactions-banks-others-trade-blame-as-customers-agony-persists>> Accessed 31 October, 2025.

⁶⁵ *Ibid*.

⁶⁶ Section 28 Sale of Goods Act, 1893.

and willing to pay the price in exchange for possession of the goods. Where property in the goods has passed to the buyer, and the buyer fails to pay the price due to a failed e-payment, he becomes liable to be sued by the seller in an action for the price.⁶⁷ If, under the contract of sale of goods, the price is to be paid on a day certain and property in the goods has passed to the buyer, default by the buyer to pay the price on the day will also entitle the seller to maintain an action for the price of the goods.⁶⁸

Although under the Sale of Goods Act, 1893 stipulations as to time of payment of the price of goods is not of the essence of the contract (unless a contrary intention appears from the contract of the parties),⁶⁹ the Act provides further remedies for an unpaid seller against the buyer who has defaulted in payment of the price. Under the Act, a person is an unpaid seller when the whole of the price has not been paid or tendered, or when a negotiable instrument tendered as conditional payment is dishonoured.⁷⁰ An unpaid seller has a right of lien over the goods sold which are still in his possession. He could, as such, retain possession of the goods until the price is paid, provided the goods are not sold on credit or, if sold on credit, the term of the credit has expired, or the buyer has become insolvent.⁷¹

Where the property in the goods has not passed to the buyer, the seller could, if having exercised his right of lien, and the buyer continues to default in payment of the price, resale the goods.⁷² Even where the property in the goods has passed to the buyer, the seller could still resale the goods as a seller in possession under section 25(1) of the Sale of Goods Act, 1893 or section 8 of the Factors Act, 1889. Such sale would transfer good title to an innocent buyer who bought in good faith and without notice of the earlier sale. This is because a sale by a seller in possession or a factor constitutes an exception to the *nemo dat quad non habet* rule. These are possible situations which, when they occur, could frustrate commercial transactions and expose innocent parties to avoidable contractual liabilities.

⁶⁷ Section 49(1)

⁶⁸ Section 49(2)

⁶⁹ Section 10(1)

⁷⁰ Section 38(1)

⁷¹ Section 41(1)

⁷² M. C. Okany, *Nigerian Commercial Law* (African-Fep Publishers 2009) 318

Apart from the legal implications of digital payment failures for sale of good transactions, there are also serious legal consequences for banks and other financial institutions whose e-payment channels fail to complete payments. Basically, the banker/customer relationship is contractual in nature and fundamentally that of debtor and creditor.⁷³ When a customer opens a bank account with a bank and the bank gives its acceptance for the account, a contractual relationship comes into existence. A major term of the contract is that the banker would keep custody of deposits made by the customer and pay same to the customer upon demand.⁷⁴ It must, therefore, honour cheques and other payment instructions of the customer for which there is sufficient balance in the customer's account. While the duty to honour customer's payment instructions applied traditionally to cheques issued by the customer, recent decisions of Nigerian courts, as shall be shown presently, indicate that this duty extends and applies with equal force to failure to honour and complete payments made through an e-payment channel. This means that failure by a banker to successfully execute a payment order initiated by a customer through any of the banker's e-payment channels has the same legal consequence as dishonouring the cheque of a customer whose account balance is sufficient to pay the cheque. When a banker fails to honour a cheque or any other mandate including demands through ATMs and other electronic payment channels without good reason, such failure would amount to a breach of contract, and the customer may be entitled to legal remedies.⁷⁵

In *Moses Jwan v. Ecobank & Anor*,⁷⁶ the appellant was a customer of the 1st respondent which issued him with an ATM card. He attempted to use the card to withdraw the sum of ₦10,000.00 from an ATM belonging to the 2nd respondent (United Bank for Africa) at 2nd respondent's branch at Federal School of Forestry, Bauchi Road, Jos. The machine seemed to process the transaction and then indicated that the transaction was successful. It, however, dispensed no cash. Frustrated, the appellant complained to the 1st respondent but his complaint yielded no result following which he instituted an action in the high

⁷³ *Chief Festus Yusuf v. Cooperative Bank Nig. Ltd.* [1994] 7 NWLR (Pt. 359) 676; KG Muhammad, 'An Appraisal of the Relationship between Banker and Customer in Nigeria' (2015) 7(4) *European Journal of Business and Management*, 230-237, 233

⁷⁴ *Hill v. Foley* [1848] 2 H. L. C. 28

⁷⁵ OB Abe, 'An Appraisal of the Legal Relationship between a Banker and its Customer: The Statutory Protection Afforded to Bankers in Nigeria in Paying Cheques' (2017) 1(2) *Unilag Law Review*, 124.

⁷⁶ [2021] 10 NWLR (Pt. 1785) 449

court. It was held that the appellant failed to prove his case against the respondents. On appeal to the Court of Appeal, it was held by the appellate court that the 1st respondent owed the appellant a duty to exercise reasonable care, diligence and skill in carrying out his instructions. It was further held that this duty extended over a whole range of banking business including ATM transactions. The Court stated that the ATM card issued to the appellant was in the nature of a cheque which must be honoured when used for withdrawal by the appellant from his bank account, failure which the bank was in breach of the duty of care owed the appellant.

In *Guarantee Trust Bank v. Motunrayo Tolulope*,⁷⁷ the respondent, who operated an account in one of the appellant's branches in Lagos, was issued with an ATM card. While in the United Kingdom she used the ATM card in an ATM owned and operated by Barclays Bank in London to withdraw 800 pounds. Though her account was debited for that amount, the machine failed to dispense cash. She submitted a complaint to the appellant and subsequently brought this action for breach of contract and for cost of the action. It was contended for the appellant that the ATM card used belonged to MasterCard International which ought to be liable for the failed transaction. The trial court held that the appellant was liable in damages. Dissatisfied, the appellant appealed to the Court of Appeal. In affirming the decision of the lower court, the Court of Appeal held that the appellant was liable in damages.

Learned authors have criticised the Court of Appeals equation of an ATM card to a cheque so that an ATM dispense error gives rise to liability on the part of a banker as does the dishonour of a cheque.⁷⁸ It is their view that certain peculiarities of an ATM card make it different from a cheque. Most prominent of these peculiarities is the susceptibility of the ATM card to systematic failure or network issues which could result in the failure of an electronic transaction.⁷⁹ The argument is that systematic failure beyond the control of the bank should not be regarded as a breach of the duty of care owed by the bank to the customer. A cheque, they argue, is not an electronic component

⁷⁷ Appeal No. CA/L/461/2016.

⁷⁸ U Udok, M Udofa and M Jonah, 'Legal Perspectives of Dispense Error in ATM Transactions in the Banking Industry in Nigeria' (2022) 3(8) *Indiana Journal of Humanities and Social Sciences*, 30-43, 37.

⁷⁹ *Ibid.*

and therefore not affected by the vagaries of the network.⁸⁰

While it is correct that a cheque is not an ATM card, especially as it is not susceptible to network glitches, it is difficult to agree that a banker should, for that reason, escape liability for failed electronic transactions. It is submitted that once a banker represents that customers could carry out banking transactions with any of its e-payment channels in furtherance of the bank's economic interests,⁸¹ it should be liable for payment failures which occur when customers do so. With due respect to the Court of Appeal in *Moses Jwan v. Ecobank Nigeria Plc & Anor*,⁸² an ATM card cannot be akin to a cheque for many reasons.⁸³ It is submitted that the decision of the Court in that case should have been premised on the respondent's representation that payments could be safely made via its ATM and for the fact that the respondent used the ATM to further its economic interest and not on the ground that an ATM card is akin to a cheque.

Issues have also been taken with the fact that in inter-bank payments the issuing and receiving banks are held liable for failed e-payments rather than the payment network company which handles inter-bank e-payments such as Interswitch, MasterCard and Visa.⁸⁴ It is contended by those who hold this view that the bank is an agent of the payment network company which is a disclosed principal.⁸⁵ To this extent, they argue, the disclosed principal and not the agent should be proceeded against for an e-payment failure. With respect, it is the author's view that the relationship between the two is purely contractual. Assuming but not conceding that the relationship is that of agency, the payment network company is the agent of the bank for the purpose of completing the bank's interbank e-payments, not the other way round.

The processing of inter-bank payments through the payment channels may not be within the control of the banks but that does not absolve banks from liability for failed e-

⁸⁰ *Ibid.*

⁸¹ Customers are charged by banks for every transaction performed via any of the e-payment platforms.

⁸² *Jwan v. Ecobank* (n 78).

⁸³ A cheque, unlike an ATM card operation is not liable to the technical failures of the internet network. A cheque, allows a customer's instruction to be countermanded by the customer before the cheque is honoured, something that is not possible with an ATM transaction because of the almost instantaneous nature of the transaction. Payment of a cheque can be deferred to the future, whereas this is not possible with an ATM payment.

⁸⁴ Udok and Others (n 78) 38.

⁸⁵ *Ibid.*

payments. By the doctrine of privity of contract, the banker-customer contract is strictly between the banker and its customer. The payment network company, though responsible for switching between the issuing bank and the receiving bank, is not a party to that contract. Accordingly, for lack of privity, a customer whose payment failed cannot maintain an action against it for breach of contract. This issue came up for consideration in *Ekong Akpan Udofia v. First Bank of Nigeria Ltd.*⁸⁶ It was argued for the defendant that Interswitch, the payment network, and not the defendant, was responsible for processing the e-payment that failed and as such should be held liable for the failure. Not persuaded by that argument, the court held that there was no privity of contract between the plaintiff and Interswitch and that the defendant must take responsibility for any failure that occurred, notwithstanding that such failure was not caused by its agents, staff or other employees.

In view of the possibility of network failure, and considering that transaction failures could result from such failures in their e-payment channels, bankers could resort to the use of exemption clauses in their contracts with switch companies to exclude liability for such failures. But the question arises as to whether a banker could escape liability for failed e-payments by relying on such clauses. It is settled law that a party to a contract cannot rely on an exemption clause to escape liability for the breach of a fundamental term of a contract.⁸⁷ A fundamental term of a contract is one which, if it is breached, renders the whole contract meaningless.⁸⁸ As earlier stated, the duty of a banker to honour a customer's instruction regarding money in his bank account is one of the most important terms of the contract between a bank and a customer. Its breach, it is submitted, constitutes a breach of a fundamental term of the contract. Under extant Nigerian law, therefore, bankers find themselves between Scylla and Charybdis, to whichever side they turn, danger lurks.

IV. AI in Industry

AI systems are increasingly being deployed in industry in different sectors of the Nigeria

⁸⁶ Suit No. HEK/46/2016, High Court of Akwa Ibom State, delivered on 5th April, 2017.

⁸⁷ *Boshali v. Allied Commercial Exporters* [1961] UKPC 45; *Ogwu v. Leventis Motors Ltd.* [1963] N.R.N.L.R. 115; *IMNL v. Pegofor Industries Ltd* [2005] LPELR-1525 (SC)

⁸⁸ Okany, *supra*, at Pp. 282, 283

economy. Some of these intelligent systems are completely autonomous in operation and have become part of the production economy. In a changing world of work characterised by increasing deployment of AI into work processes, the question arises regarding liability for injuries caused by AI-based systems in the course of work. In other words, where does liability fall for injuries or death caused by an AI system during work, in the owner of work, in the developer of the system, or in the system itself? This question of liability for the acts of AI systems became a legal issue for the first time in 1981 when an industrial robot killed an employee in a Japanese factory.⁸⁹ The employee had entered a restricted zone in a motorcycle factory for the purpose of carrying out maintenance work on the robot. He however failed to properly shut down the robot before commencing maintenance. The robot pushed him against adjacent machinery and he died.

A corollary to the question of liability for the wrongful acts of AI entities is the question whether these autonomous and intelligent entities, having become an essential component of modern industry, should be granted legal personhood. Several arguments have been canvassed in support of grant of legal personhood to AI systems. It has been argued, in the case of robots, that since they could act humanly, rationally and creatively and possess knowledge about the outside world just like humans, they should be granted, at least, ‘quasi personhood’ which should vest them with only ‘partial rights and duties.’⁹⁰ It is also contended that since corporations are vested with legal personality separate and distinct from the personality of their human agents,⁹¹ there is no justification for not attributing legal personhood to AI entities, especially robots.⁹² A further justification advanced by proponents of synthetic personhood is that intelligent systems are human creations possessing the attributes of their human creators and as such should enjoy legal

⁸⁹ G Hallevy, ‘The Criminal Liability of Artificial Intelligence Entities – From Science Fiction to Legal Social Control’ (2000) 4 *Akron Intellectual Property Journal*, 171, 171-172; VAJ Kurky, ‘The Legal Personhood of Artificial Intelligences’ <<http://www.researchgate.net/publications/335907052>> accessed 20 October 2024.

⁹⁰ PM Asaro, ‘Robots and Responsibility from a Legal Perspective’ <<http://www.PeterAsaro.org/Writing/ASARO20%/Legal%20Perspective.pdf>> accessed 25 October 2024.

⁹¹ *Salomon v. Salomon* (1897) A.C. 22

⁹² G Hallevy, ‘The Criminal Liability of Artificial Intelligence Entities – From Science Fiction to Legal Social Control’ (2000) 4 *Akron Intellectual Property Journal*, 171, 171-172; VAJ Kurky, ‘The Legal Personhood of Artificial Intelligences’ <<http://www.researchgate.net/publications/335907052>> accessed 20 October 2024.

personality just as their human creators.⁹³ As AI systems are increasingly integrated into work in Nigeria, these legal questions ought to be addressed, sooner than later.

V. Remote Work Arrangements

The advantages which remote or gig work arrangements afford employers and employees have seen to their increased use by organisations in Nigeria since the Covid-19 pandemic. While organisations increasingly utilise the remote work arrangement, a couple of legal questions have arisen. For example, since extant labour laws in Nigeria do not contemplate remote work, are remote workers ‘employees’ within Nigerian labor jurisprudence to be entitled to the labour rights of employees? While some countries have enacted legislations that govern remote work,⁹⁴ Nigeria has yet to enact such laws and this state of affairs leaves doubt as to the actual status of people who work remotely from the employer’s ordinary workplaces, especially freelance workers. Coupled to this uncertainty is the fact that the courts have not yet had the opportunity to resolve questions bordering on this.

Again, would it amount to misconduct for which an employer may lawfully terminate employment, if an employee ordinarily employed to work at the employer’s premises refuses to work remotely when asked to do so, and vice versa? A similar question is whether it would amount to misconduct where an employee works from a remote location away from his workplace, without the authorisation of his employer, though he does his work satisfactorily. Though these are legal questions that could arise out of a remote situation, there is yet no Nigerian law on the points.

There is also uncertainty whether an employee is entitled to compensation for injury arising from work if such work was being carried out at a place other than the normal workplace. At common law, injury suffered outside the workplace is not compensable by the employer. In *Smith v Elder Dempster Lines Limited*,⁹⁵ it was held that compensable accident arising out of and in the course of employment must strictly occur within the

⁹³ S Sangam, ‘Legal Personality for Artificial Intelligence with Special Reference to Robots: A Critical Appraisal’ (2020) 6(1) *Indian Journal of Law and Human Behaviour*, 15, 18-19.

⁹⁴ Spain, Finland, The United Kingdom, Australia, New Zealand, Singapore, Angola, Argentina, Belgium, Brazil, Chile, Colombia, Greece, Luxembourg, Mexico, Norway, Portugal, Russia, Slovakia, Taiwan, Turkey, Ukraine, etcetera, have all enacted legislation governing and regulating remote working.

⁹⁵ (1944) 17 N.L.R 145; *Ngangkam v Strabag (supra)*; and *Scandinavian Shipping Agencies v Ajide*

workplace. Under section 7(2) of the Employees' Compensation Act,⁹⁶ however, an employee is entitled to payment of compensation for any accident that occurred while on the way between the place of work and the employee's principal or secondary residence; the place where the employee takes his meal; or the place where he usually receives his remuneration, provided that the employer has prior notification of such place. This provision would appear to bring injury suffered by a remote worker under compensable injury but, on close scrutiny, does not. This is because the provision covers only injuries suffered 'while on the way' between the workplace and any of the places mentioned, and not a remote location from where work is carried on.

Aside from the foregoing legal issues raised, remote work in Nigeria also raises tax law issues. Until the recent Federal Government's tax reforms in Nigeria, persons working remotely abroad but resident in Nigeria paid no taxes on their incomes. The tax reforms have addressed this by providing for payment of tax by this class of employees. There is, however, the issue of double taxation which might occur where such workers are taxed in both the employer's country and in Nigeria. This situation is obviated in regard to countries with which Nigeria has entered into Double Taxation Treaties⁹⁷ since both countries would resolve the issue by agreeing where such employees are to be taxed. But with respect to other countries, Nigerian employees working there remotely from Nigeria may be liable to double taxation.

With the increasing use of remote work arrangements by organisations, some costs ordinarily borne by employers are increasingly being pushed to employees. Charges for electricity and water, data and software subscriptions, provision of coffee, etcetera, are handled by the remote working employees. For these expenses, companies usually pay allowances to such employees. There is also uncertainty whether, under Nigerian tax law, such allowances are taxable. While some argue that they are personal expenses reimbursed the employee and therefore not taxable, others are of the view that they are

⁹⁶ Cap E7, Laws of the Federation, 2010.

⁹⁷ Nigeria has entered into Double Taxation Treaties with Belgium, Canada, China, Czech Republic, France, the Netherlands, Pakistan, the Philippines, Romania, Singapore, Slovakia, South Africa, Spain, Sweden, and the United Kingdom.

employee benefits earned in the course of work, and, therefore, taxable.⁹⁸

VI. Cybercrime and Data Protection Concerns

The digital economy requires the generation and collection of personal data. All aspects of the digital economy require critical personal information to carry out transactions. As the digital economy develops in Nigerian, one of its biggest challenges is how to ensure data security and user privacy. Participants in the economy are exposed to cyberattacks, identity theft, and privacy breaches. Cyberattacks involve the deployment of harmful software or malware to attack internet-connected electronic devices.⁹⁹ Cybercriminals hack devices through the internet and steal personal data with which victims could be defrauded. They also perpetrate identity theft which can result in serious financial loss and reputational damage to their victims. Through cyberattacks and identity theft cybercriminals illegally obtain personal data with which they may apply for online loans, open fraudulent bank accounts, liquidate their victims' bank savings or use funds in such bank accounts to make purchases online.

In Nigeria, crimes commonly committed in the digital space include stealing of bank details of bank customers; stealing the identities of financial institutions and using them to defraud unsuspecting bank customers; and defrauding online purchasers by purporting to sell non-existent goods advertised on specious online shops. In some cases, poorly secured personal data supplied while applying for loans on loan apps are stolen and used to perpetrate internet fraud. All these risks associated with the digital economy in Nigeria necessitate legal and innovative safeguards that ensure adequate personal information protection. Without such protection in cyberspace, it will be difficult to build trust and confidence in the Nigerian digital economy and make it globally competitive.

⁹⁸ M Akpum, 'Understanding the Tax Consequences of Remote Work' <<http://www.transact.com/en/insights/understanding-the-tax-consequences-of-remote-work>> accessed 1st November 2025.

⁹⁹ D Lesmana, M Afifuddin and A Adriyanto, 'Challenges and Cybersecurity Threats in Digital Economic Transformation' (2023) 2(6) *International Journal of Humanities Education and Social Sciences*, 1917-1924, 1920.

4. Framework proposals

The legal issues discussed above possess the potential to undermine business effectiveness as the Nigerian digital economy expands and therefore demand legal reforms that bring the Nigerian law at pace with the fast-growing internet economy. Flowing from these identified legal issues, proposals are made in this section for legal reform.

It is proposed that a national legislation be enacted to regulate the emerging digital economy and address the emerging legal issues. This is of crucial importance considering that legislation remains the most expeditious route to implementing these needed reforms. Regarding online contracts of sale of goods, it is imperative that such legislation provides what constitute offer and acceptance. Such provisions will make certain the moment when a contract comes into existence in such contracts.

For contracts concluded by email, the time of receipt of the email accepting an offer should be legislated the time of contract. This will not only be the determining factor on whether a contract was indeed concluded, but also the time of contract. With regard to online sale of goods, it is proposed that the moment when the buyer's order is confirmed on the retail platform and not when payment is made by the buyer should be the moment of acceptance. This is because in Nigeria online retail companies also operate payment-on-delivery sales in which case the contract of sale of goods is concluded between the parties though payment is postponed to the time of delivery.

In the case of goods sold online by description, the proposed legislation should require full and complete description of goods and make correspondence of goods supplied with description given by the seller a fundamental term of the contract. Non-correspondence with description should, as a matter of statute, render the contract repudiable at the option of the buyer. With respect to fitness of goods for the purpose for which they are required, it is recommended that, given the impossibility of communication between the buyer and the seller as to the actual purpose for which the goods are required, goods required for multiple purposes are fit if they are fit for any of those purposes. For goods fit for one and only one purpose, they must be fit for that particular purpose. Unfitness of goods in

these circumstances for purpose is to constitute a breach of a condition giving the buyer a right to repudiate the contract or sue for damages.

It has been shown above that electronic payment failures frustrate commercial transactions and expose financial institutions to legal actions. Legislation on the digital economy must, therefore, address the issue of liability for e-payment failures. For ATM card transactions, liability for payment failures should be placed on the issuing bank. Having represented that withdrawals could be done by their customers using their debit cards on all ATM, issuing banks should be held liable for injuries arising from e-payment failures. While this is so, in interbank transactions, legislation should provide for a right of indemnity by bankers against switch companies who, actually, are responsible for switching between banks and completing payment transactions.

Regarding the legal responsibility of AI systems, it is the authors' view that, being no human entities, they do not deserve legal personhood. The argument that they should be placed on the same pedestal as companies which, though not humans, enjoy legal personality falls flat on its face. This is because, while companies operate through human agents, intelligent and autonomous machines act entirely by themselves. If denied legal personality, then legislation must provide for where liability lies for injuries caused by these technological marvels. As between creators of AI systems and those who put them to work in furtherance of their own economic interest, it is proposed that liability should fall on the latter.

With remote work gaining traction in Nigeria, the need to put in place a suitable legal framework regulating this work arrangement has become necessary. What is recommended is the enactment of a remote work legislation that is nuanced to the intricacies of remote work as some countries have done.¹⁰⁰ International standard seems to be to ensure equal treatment for both remote and onsite workers.¹⁰¹ Such legislation will, therefore, prohibit discrimination by employers between remote workers and onsite

¹⁰⁰ See, for instance, Angolan Presidential Decree No. 52/22; Argentina's Telework Contract Law 27555 (2020); Australia's Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act, 2022; Philippine Telecommuting Act No. 11165 of 2022; Norwegian Home Office Regulations, 2022 (as amended); and Brazilian Teleworking Law 14,442/22 (2022).

¹⁰¹ See International Labour Organisation (ILO) Home Work Convention No. 177 of 1996.

workers. Unless originally employed to work remotely, the decision to place an employee on remote work must be consensual. This is the position under article 3 of the European Union Framework on Telework,¹⁰² a frontline regulatory framework for remote work.

Legislation should also provide for the employer's obligation to install and maintain remote work equipment for its remote workers in the same way it does for employees working onsite. Since he who pays the piper calls the tune, the duration of remote work for employees not engaged to permanently work remotely should be at the employer's discretion. In the Irish case of *Alina Karabko v TikTok Technology Ltd.*,¹⁰³ the Complainant who had been working remotely for some time declined to resume at the respondent's Dublin Office when directed by the respondent to do so. She rather requested permanent telework. It was held by the Irish Workplace Relations Commission (WRC) that while the Complainant had a 'right to request telework' (as she did), she had no 'right to telework', and as such the respondent's decision on whether she would continue to work remotely or on onsite was final.

Importantly, any Nigerian remote work legislation must protect the right of remote workers to privacy during non-work hours. Emails, text messages and other forms of electronic communication are not to be sent for an employees' action during those hours. For the purpose of ensuring that work is properly performed from the remote location, employers often use surveillance technology to monitor employees working from remote locations. To prevent abuse, legislation should give employees the right to disconnect monitoring systems outside work hours. Work must not interfere with employees' privacy at home during non-work hours.

The Nigeria Tax Act, 2025 appears to have addressed the tax challenges associated with taxing Nigerian residents working remotely offshore. For countries with which Nigeria has entered into Double Taxation Treaties, such employees are to be taxed in the country of employment only. For other countries, remote workers taxed in the country of employment are required to pay tax in Nigeria unless they present evidence of payment of tax in the country of employment. Without such evidence, they are liable to pay tax in

¹⁰² The Telework Agreement entered into force on 1 July, 2023 for early adopters and later entry dates for other countries.

¹⁰³ Adjudication No: ADJ-00051600.

Nigeria, resulting in double taxation. While these provisions of the new tax law appear clear and straightforward, the efficiency and effectiveness of their implementation remain to be seen.

5. Conclusion

It has been demonstrated that the Nigerian digital economy is fast evolving. It has been shown in this paper that, with her large population, Nigeria stands to immensely benefit from the digital economy. While e-commerce is fast replacing traditional commerce, digital payment systems have supplanted a large proportion of cash and cheque payments. While AI systems are increasingly integrated into work and industry, remote work (telework) is being adopted by many organisations since the Covid-19 Pandemic. These innovations have enhanced efficiency in commerce and industry and obviated barriers imposed by distance under the traditional economy. With these technological innovations have, however, arisen various legal issues requiring attention. This paper has identified and discussed these emergent legal issues and made prescriptions for reforms aimed at bringing Nigerian law at pace with these innovations.

