

Nigeria Startup Act

Executive Talking Points



Overview of Nigeria Startup Act



What is NSA

The Nigeria Startup Act project is a joint initiative by Nigeria's tech ecosystem and the Presidency driven by Ministry of Communications and Digital Economy to harness the potential of our digital economy through co-created regulations.



NSB Target

NSA was developed to enable growth in this sector and impact the Nigerian youth and economy.

What are the Problems the Act Tries to Solve?

Nigeria's startup ecosystem is mired with challenges that cut across capital, talent, infrastructure and regulation.

In 2022, the Tech enabled raised approximately \$1.1 billion in foreign investments but due to a myriad of issues that we can effectively classify as lack of enabling environment, these startups have domiciled their entities in other climates to attract and close foreign investments.

This means that Nigeria does not gain from the growth of these 'Nigerian Companies'.

The Act provides a collaborative and engaging legal framework for Nigeria to provide incentives, linkages and support to the Tech enabled ecosystem

Hence, the goal is to ensure these Nigerian companies conduct research, train people and create globally impactful products from Nigeria.

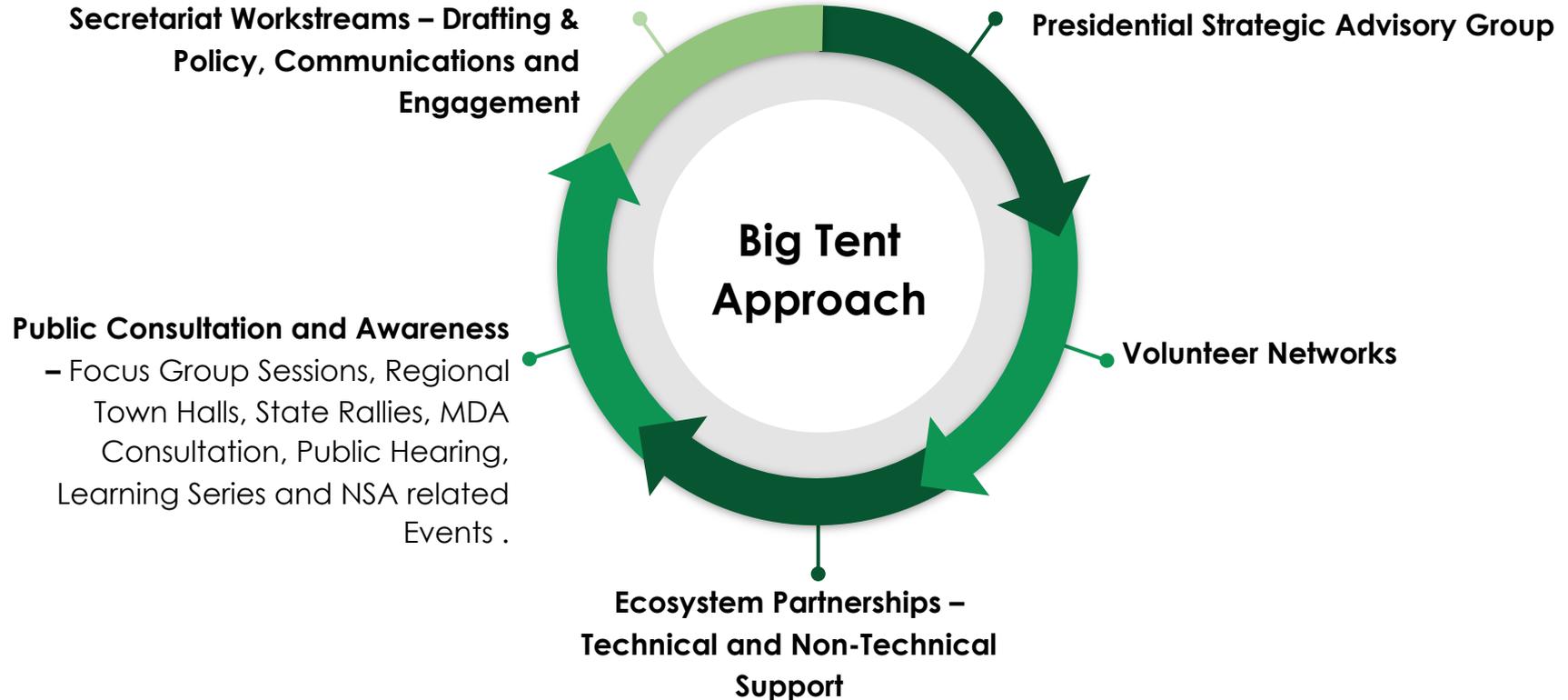
Why Nigeria Startup Act?

The Nigeria Startup Act is meant to scale growth levels for Startups within the ecosystem through co-created regulations

-  Provide an enabling environment for the establishment, development and operation of startups in Nigeria
-  Provide a legal and institutional framework for the development of startups in Nigeria
-  Provide for the development and growth of technology-related talents
-  Position Nigeria's startup ecosystem, as the leading digital technology centre in Africa, having excellent innovators with cutting edge skills and exportable capacity.

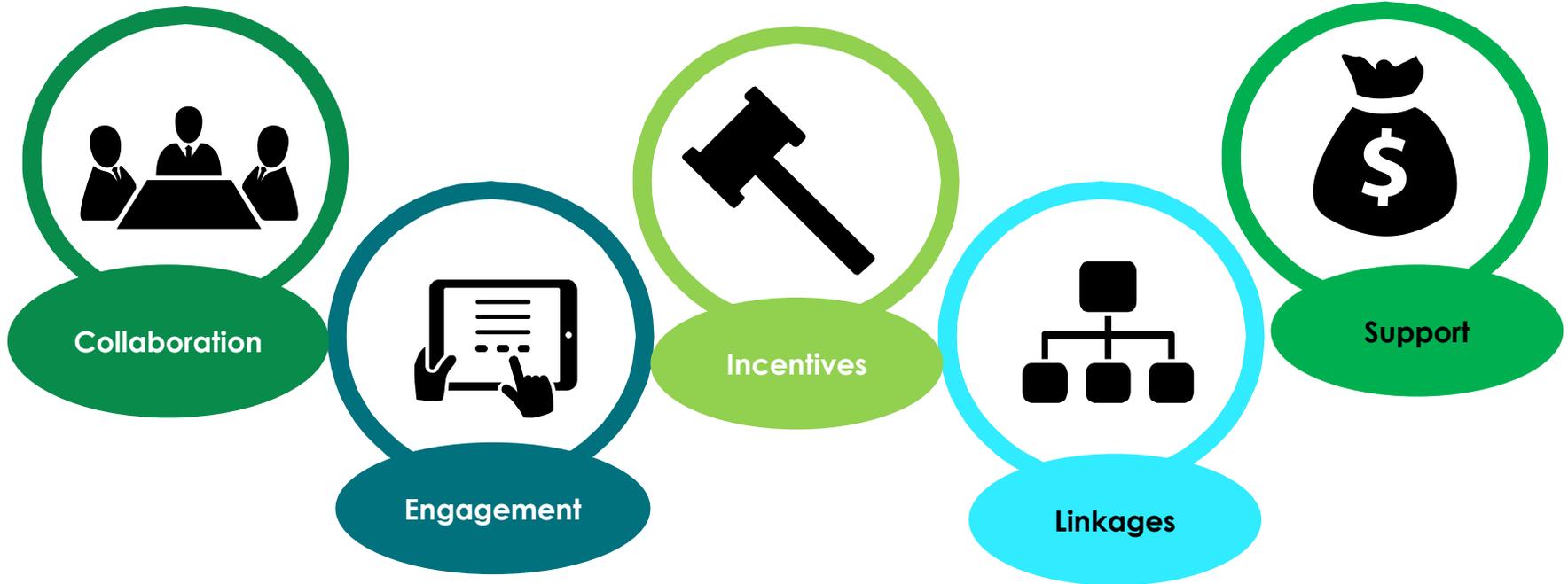
How we Worked

The success of Nigeria Startup Act hinged on many factors and one of those was adopting the **Big Tent Approach** to collaborate with volunteers, partners and the ecosystem



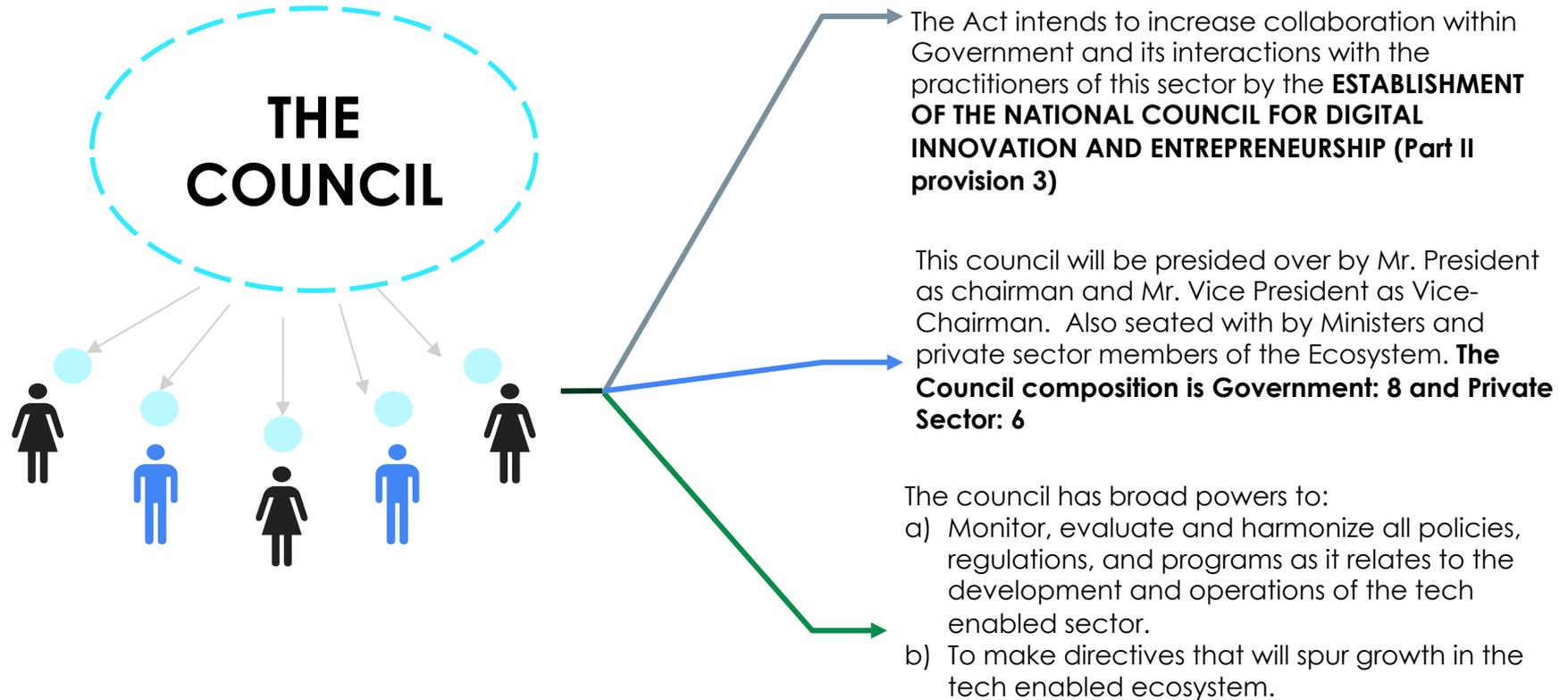
Understanding the Act

The Act is provisioned along ten (10) parts which cuts across five (5) drivers; **collaboration, engagement, incentives, linkages and support.**



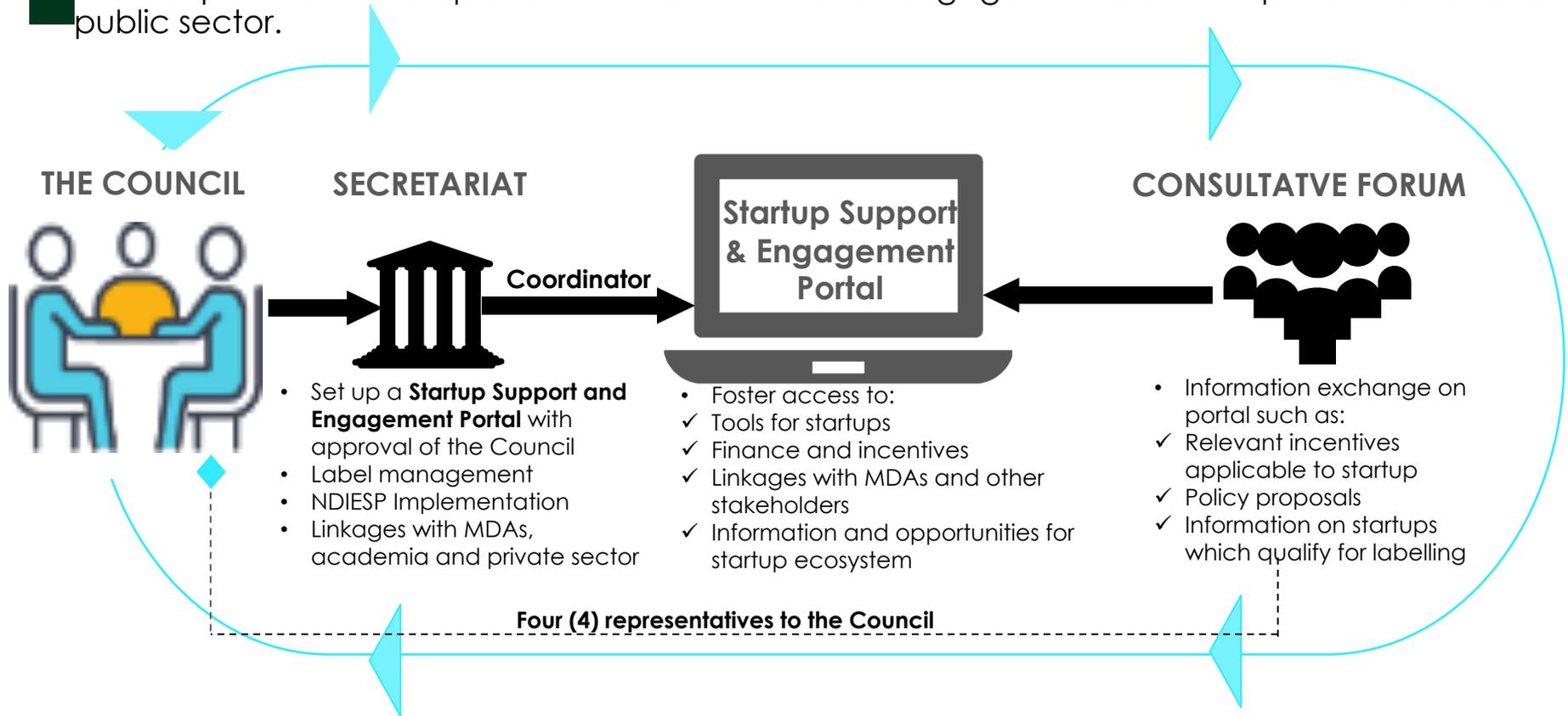
Understanding the Act - Collaboration

The Act is provisioned along ten (10) parts which cuts across five (5) drivers; **collaboration, engagement, incentives, linkages and support.**



Components of the Act - Engagement

The Act provides for setup of 3 tools that will increase engagement between private sector and public sector.



Components of the Act - Incentives

The Act is provisioned along ten (10) parts which cuts across five (5) drivers; **collaboration, engagement, incentives, linkages and support.**

The Act offers a range of incentives to founders and their companies. Provisions 24 and 25 offer Pioneer and tax incentives to startups through the Pioneer Status Incentives (PSI) Scheme

The tax incentives are designed to encourage startup growth through research (provision 25 (3)).

A 3, possible 5 years income tax is offered in provision 25 (2).

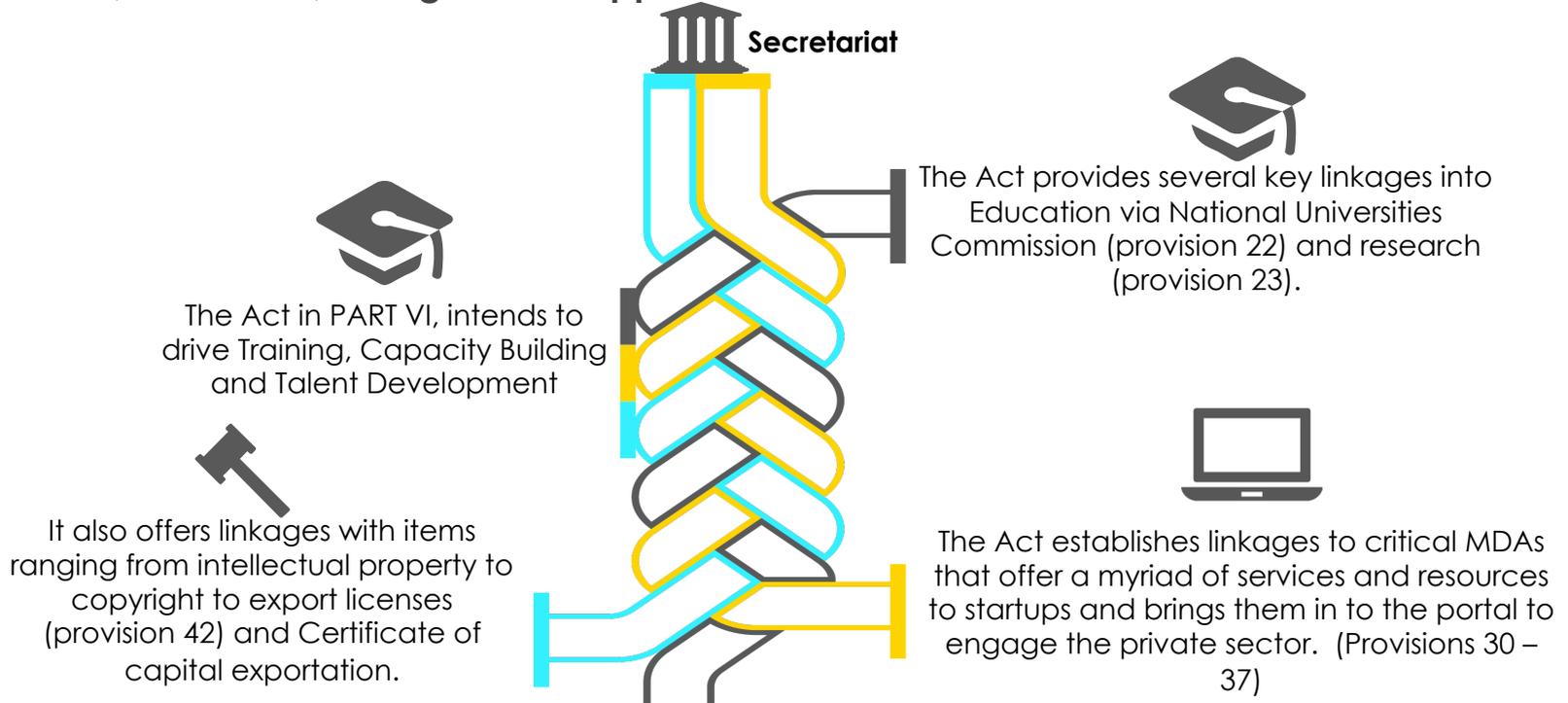
Provision 29 addresses tax incentives to all funders and encourages them to invest and re-invest their proceeds.



The Incentives are generally designed to drive the nation building outcomes as the ecosystem grows. Nigeria as a nation must benefit from the boom in the fastest growing sector. Provision 36 (2), incentives will be offered to encourage startups to list on the Nigerian stock exchange.

Components of the Act - Linkages

The Act is provisioned along ten (10) parts which cuts across five (5) drivers; **collaboration, engagement, incentives, linkages and support.**



★ Linkages is critical as policy makers will collaborate and engage the practitioners within this ecosystem to ensure growth.

Components of the Act - Support

The Act is provisioned along ten (10) parts which cuts across five (5) drivers; **collaboration, engagement, incentives, linkages and support.**



Provision 19 offers a **seed funding** to be managed by the **NSIA**, which will target early-stage startups and the hubs and other entities that support the startup ecosystem.



The seed fund is to be funded annually with council approval with a minimum of **N10 billion**. It is a commercial fund and will be a game changer on how our startups accelerate.



The Act in provision 28 directs the Secretariat to establish a **Credit Guarantee Scheme** to drive growth.



The Act in Provisions 38 – 41 offers support to the key supporters of startups. Provides broad and in-depth assistance to **Hubs, incubators, innovation park and technology development zones.**



Support is creating foundation for growth by providing funding at a critical stage of the startup growth and supporting the supporters to ensure they continue to remain consistent in their services to the ecosystem to enable growth.

Next Steps for NSA Program

His excellency, President Muhamadu Buhari signed the Nigeria Startup Act 2022 into law on October 19th, 2022. The NSA program has now moved into phase 2, which is comprised of 2 parts – **Implementation and State Adoption.**



Implementation

Effecting the provisions as dictated by the Act. We believe that with the right support, it should be concluded in **3-6 months.**



State Adoption

This is critical in establishing a fabric of innovation across the entire country. A number of states have already started the process and we believe this to be a **12-24 months** program.



An Act for the Tech-Startup Ecosystem
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