

COLLECTIVE MANAGEMENT IN FOCUS: UNDERSTANDING NIGERIA'S 2025 REGULATORY FRAMEWORK

1.0 SETTING THE STAGE

The Nigerian Copyright Commission (“**NCC**”), empowered under the Copyright Act 2022¹, has introduced the Collective Management Regulations 2025 (the “**Regulation**”). These Regulations provide detailed rules for the establishment and operation of Collective Management Organisations (“**CMOs**”) - entities licensed to manage copyright on behalf of multiple rights owners.

CMOs are specialised bodies that manage copyright on behalf of creators, essentially acting as intermediaries: they **negotiate licences**, **collect royalties**, and **distribute payments** to creators. In addition, they provide cultural and educational support to their members². Without CMOs, it would be difficult for musicians, authors, or filmmakers to properly track and monetise every single use of their works, especially in the digital era. For instance, a musician may find it practically impossible to negotiate with every radio station, streaming platform, or event organiser and Disc Jockey who uses their music. A CMO acts as a middleman - issuing licences, collecting royalties, and redistributing those royalties back to rights owners.

The Regulations mark a shift towards **greater transparency, accountability, and governance** within the copyright ecosystem, particularly as Nigeria's creative economy becomes increasingly digital

¹ See Sections 78(2)(d), 88(6)(c), 97(1)(5) and 97(1)(c) of the Copyright Act, 2022.

² Article 2 of the Regulation.

and globally integrated. The Regulation is therefore a framework designed to balance two interests:

1. Ensuring creators and rightsholders receive fair value for the use of their works.
2. Preventing CMOs themselves from becoming opaque or exploitative in their operations.

2.0 KEY HIGHLIGHTS OF THE 2025 REGULATION

1. Approval and Legitimacy of CMOs

Before an organisation can call itself a CMO, it must obtain approval from the NCC. This approval process requires³:

- A certificate of registration.
- Internal governance documents (such as Articles of Association).
- Written consent from **at least 100 rightsholders** supporting the proposed CMO.

The logic here is simple: CMOs must reflect a genuine base of members. A licence, once granted, is valid for five (5) years and renewable for three-year terms⁴. Failure to comply with regulatory conditions may lead to suspension or outright revocation.

Practical Point: For rights owners, this means they should only affiliate with CMOs properly licensed by the NCC to avoid the risk of unenforceable royalty arrangements.

³ Article 3 (2) (e) of the Regulation

⁴ Article 3(8) of the Regulation

2. Membership Rights and Internal Governance

Membership is open to any copyright owner in the relevant field (e.g., musicians joining a music CMO). While CMOs may refuse membership on justifiable grounds consistent with their internal rules, such rules must be clearly stated⁵.

CMOs are also mandated to maintain open communication with members - providing timely updates on royalty distribution, governance changes, and general operations⁶. Importantly, **a right owner can consent to different CMOs for different rights** but cannot assign the same right in the same territory to more than one CMO. Likewise, CMOs are prohibited from imposing sole collecting agent conditions or mandatory assignments of foreign royalty collection⁷.

Why this matters: This prevents market distortion by blocking monopolistic practices where CMOs force “sole-agent” clauses.

3. Inter-CMO Cooperation and Transparency

CMOs are not isolated silos. The Regulation requires them to:

- Enter agreements with local and foreign CMOs for better coverage.
- Share repertoire lists (the catalogue of works they manage) and tariff information with users and regulators.
- Notify licensees when a rightsholder opts out.

This ensures that music users, broadcasters, and digital platforms know exactly which rights are covered—and which are not—at any given time⁸.

⁵ Article 6 (4) of the Regulation

⁶ Article 7 of the Regulation

⁷ Articles 8 and 9 of the Regulation

⁸ Article 13, 14 and 15 of the Regulation

4. Financial Management and Oversight

The lifeblood of CMOs is money collected on behalf of members. To avoid mismanagement, the Regulation requires⁹:

- Separate accounts for royalties.
- Annual audits and detailed financial reports, filed with the NCC not later than the first day of July the following year.
- The CMO to maintain a distribution policy approved by its members and ensure royalty distributions are made within three (3) months after the close of the financial year¹⁰.

The NCC even reserves the power to appoint independent auditors if it suspects financial irregularities.

5. Governance and Ethical Standards

Each CMO must maintain a **General Assembly** (representing members) and a **Governing Board** (handling policy, operations and oversight)¹¹.

Conflict of interest and disclosure rules prevent board members from holding dual positions in multiple CMOs or from concealing potential conflicts or personal interests.

CMOs may deduct up to 30% of collected royalties for administration, and an additional 10% may be allocated to cultural, educational, or welfare activities that benefit members. Any attempt to exceed this cap requires prior NCC approval.

6. Dispute Resolution and Sanctions

Disputes may arise between CMOs, their members, or users of creative works. The Regulation provides for:

⁹ Article 20, 22 and 23 of the Regulation

¹⁰ Article 24 of the Regulation

¹¹ Article 17(1-3) of the Regulation

- Written complaint-handling procedures.
- A **Dispute Resolution Panel** for unresolved conflicts¹².

Failure to comply with regulatory requirements can attract sanctions ranging from fines to suspension.

3.0 CONCLUSION

The Regulation represents more than just a compliance checklist—it is part of Nigeria's broader effort to modernise copyright administration in a digital-first economy and align the country with global best practices in collective rights management.

For creators, the Regulation promises more transparency, faster royalty payments, and stronger protection of rights. For CMOs, it sets higher governance standards, requiring professionalised management and accountability. And for users of creative works, it creates clarity in licensing, reducing the risks of legal disputes.

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¹² Article 26 Collective Management Regulation 2025