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Client Alert

Nigeria's Digital Free Zones Initiative Moves to Implementation: *Key Developments and Implications*

Introduction

On 17 September 2026, President Bola Ahmed Tinubu directed the implementation of Nigeria's Digital Free Zones initiative, marking a decisive shift from policy formulation to execution.

The President directed the Minister of Trade and Investment, Dr Jumoke Oduwale, in her capacity as Vice-Chairman and Implementation Coordinator of the Presidential Steering Committee on Digital Free Zones, to work with the Itana Innovation project and the Committee to develop a comprehensive roadmap for the full launch of the initiative within 180 days.¹

The Committee will, in parallel, continue its work across regulation, taxation, banking, immigration, arbitration and the digitisation of government processes within Nigeria's free zones.

Background

A **Digital Free Zone** refers to a special economic zone which recognises the unique nature of the digital economy and is designed to enable technology companies and digital businesses within that sector to operate and enjoy free zone benefits in Nigeria.

- The existing free zone framework under the Nigeria Export Processing Zones Act (the NEPZA Act), was designed primarily for manufacturing and export-oriented activities, and Digital Free Zones are being integrated into this structure to cater specifically to the digital economy.
- The Committee, chaired by the President, was constituted to modernise Nigeria's free zone framework, which dates back more than three decades.

¹President Tinubu Moves Digital Free Zones Initiative to Implementation, Targets More Global Jobs and Investment for Nigerians <<https://statehouse.gov.ng/president-tinubu-moves-digital-free-zones-initiative-to-implementation-targets-more-global-jobs-and-investment-for-nigerians/>>.

Itana has been licensed by NEPZA as Nigeria's first Digital Free Zone. The Itana Innovation project at Alaro City, Lagos, will combine an enabling policy environment with an innovation campus, access to capital, and ecosystem services, providing the physical and institutional infrastructure to anchor the initiative. The US\$500 million project is backed by the Africa Finance Corporation.

Key Objectives of the Initiative

According to the President, the initiative is intended to:

1. enable Nigerian technology and service companies to raise global capital and employ Nigerians;
2. allow those companies to build for international markets without moving their businesses or intellectual property abroad; and
3. create opportunities for Nigerians to work for global companies from within Nigeria.

These objectives are linked to the expansion of Nigeria's domestic digital ecosystem, including the growth of a wider pool of engineers, developers, designers, lawyers, accountants and other professionals serving digital businesses.

By supporting that ecosystem, the initiative is expected to stimulate and retain more economic value in Nigeria, including jobs, investment, professional services and intellectual property, while positioning the country to benefit from Africa's expanding digital economy and digitally enabled trade under the African Continental Free Trade Area (AfCFTA).

Implications for Stakeholders

- For technology companies and digital businesses, the initiative is intended to create a pathway for incorporation, financing, and scaling from Nigeria while allowing them to benefit from the free zone framework without relocating their intellectual property or operations abroad.
- For investors and financial institutions, the US\$500 million Itana Innovation project and the broader Digital Free Zones initiative signal potential opportunities in digital infrastructure and the Nigerian digital economy. Investors may wish to assess the commercial prospects of the initiative as the implementation roadmap and related public guidance develop.
- Key considerations for investors to consider are the regulatory licensing and entry requirements into the digital zone and the available tax, foreign exchange, IP or other incentives for prospective enterprises.
- Implementation is likely to require changes to the existing legal and regulatory framework, including amendments to the NEPZA Act and new subsidiary instruments, given the breadth of the Committee's mandate.
- Businesses and investors should track the 180-day roadmap and any guidance issued by the Committee, and engage early with consultation processes so that their interests are reflected in the emerging framework.

If you require any further clarification, do not hesitate to contact us.