

# Advocacy Paper

## Reforming Nigeria's Work Permit System



## Who we are

**Eurocham Nigeria** (European Business Chamber Nigeria) was founded in 2018. We are a private sector driven organization, representing the European business community interests in Nigeria. We are also an active member of the EBO Worldwide Network (<https://eboworldwide.eu/>) connecting European business associations and Chamber of Commerce from more than 50 countries.

## Our Mission

Our primary mission is to actively promote and facilitate trade, investments, and business exchanges between European and Nigerian companies. We are committed to advocating for European quality standards, implementing best practices, and upholding the principles of corporate social responsibility. Through these efforts, we aim to enhance the overall business environment and contribute to sustainable economic development in Nigeria.

## A Private Sector-Driven Initiative

**Eurocham Nigeria** is a private sector-driven organization, originally founded by 19 major European companies. Since its inception, our membership has expanded significantly. Today, we proudly represent the interests of more than [60 corporate members, and 15 associate members](#) :

- [Austrian Embassy](#)
- [Belgian Embassy](#)
- [Bulgarian Embassy](#)
- [Danish Embassy](#)
- [Embassy of Czech republic](#)
- [French Embassy](#)
- [German Embassy](#)
- [Hungarian Embassy](#)
- [Irish Embassy](#)
- [Netherlands Embassy](#)
- [Polish Embassy](#)

- [Portugal Embassy](#)
- [Spain Embassy](#)
- [Sweden Embassy](#)
- [Swiss Embassy](#)

Honorary Member :

- [H.E. EU Ambassador Mr. Gautier Mignot](#)

Our diverse membership base includes some of the most influential players in the European business community, all united by a common goal: to strengthen economic relations and support the growth of European businesses in Nigeria.

## What We Do

1. **Promoting Trade and Investment:** We actively work to identify and create opportunities for trade and investment between Europe and Nigeria. By leveraging our extensive network and expertise, we assist our members in navigating the Nigerian market and establishing successful business ventures.
2. **Quality Standards and Best Practices:** We emphasize the importance of European quality standards and best practices in all business activities. Our members are encouraged to adopt and maintain these standards, ensuring that their operations contribute positively to the Nigerian economy.
3. **Corporate Social Responsibility (CSR):** Corporate social responsibility is at the heart of our values. We promote and support CSR initiatives that have a meaningful impact on local communities, addressing social, environmental, and economic challenges in Nigeria.
4. **Advocacy and Representation:** Eurocham Nigeria serves as a collective voice for the European business community in Nigeria. We engage with Nigerian authorities, policymakers, and stakeholders to advocate for policies and regulations that are conducive to business growth and aligned with European standards.

## Why this paper ?

**Eurocham Nigeria**, as the representative of the European business community in Nigeria, is directly confronted with the challenges of obtaining and managing work permits for expatriates. These difficulties have an impact on our members' ability to invest and operate effectively in the country. As a result, we are actively lobbying for a reform of the work permit system, in order to facilitate economic exchanges between Europe and Nigeria, while promoting better integration of foreign talent into the local economy.

## Introduction

### Context

Foreigners who want to work in Nigeria must get work permits from the Nigerian government through the Nigerian Immigration Service (NIS). Prior to issuance of these permits, the NIS ensures that expatriates meet the required conditions to work legally in the country.

Work permits are important for regulating the job market, safeguarding local job opportunities, and ensuring that foreign workers make a positive contribution to the Nigerian economy. It is crucial for both employers and employees to understand the complexity of obtaining and keeping a work permit in Nigeria in order to effectively manage the legal aspects of employment..

### Objectives of the Paper

The advocacy paper aims to inform stakeholders about the challenges inherent in the current work permit regulations in Nigeria, persuade policymakers and industry leaders to reform these regulations, and suggest specific policy changes to enhance the effectiveness and fairness of the system. The paper aims to improve the work permit granting process, making it more convincing, transparent, and fair, with the main goal of fostering a more inclusive and dynamic labor market in Nigeria.

## Background and Analysis

### Current Situation

To employ foreigners in Nigeria, local companies must adhere to various immigration formalities and obtain several approvals and permits.

Here is are the detailed steps to obtain a Work Permit in Nigeria in 2024 :

#### 1. Obtain an Expatriate Quota Approval (EQA) :

- **Criteria:** The company must be registered in Nigeria. If it has foreign shareholders, it must obtain a Business Permit.
- **Required Documents:** Application letter, lease agreement, joint venture agreement, business plan, bank reference letter, company incorporation documents, Business Permit, Certificate of Capital Importation, current tax clearance certificate, expatriate details (including salaries and qualifications), training program for Nigerian understudies, and proof that required skills are not available locally.

#### 2. Obtain a STR Visa (for expatriates planning to live and work in Nigeria for more than 56 days) :

- **Required Documents:** Employment letter, invitation letter, Expatriate Quota Approval, acceptance of immigration responsibility, CV, proof of qualifications, and completed IMM 22 form.

#### 3. Obtain a Combined Expatriate Residence Permit and Aliens Card (CERPAC) :

- **Required Documents:** Application letter requesting stay regularization, employment letter, acceptance of employment offer, IMM22 form with photos, quota approval, credentials, and valid passport with STR visa, original copy of purchased CERPAC and bank teller.

#### 4. Temporary Work Permit (TWP) (for short-term consultants) :

- **Required Documents:** Request or invitation letter, confirmed return airline ticket, acceptance of immigration responsibility, copies of company registration documents.

#### 5. Industry-Specific Requirements (e.g., for the oil and gas industry) :

- **Required Documents:** Succession plan, organizational chart, advertising report, job descriptions, training schedule, employment commitment, previous approvals, and proof of expatriate registration with professional bodies in Nigeria.

## Challenges and Issues

Getting work permits for foreign workers in Nigeria is a complicated process that requires several steps and a lot of documentation. This involves writing letters of application and proving that the necessary skills cannot be found locally. The process can be lengthy, between 2 and 4 months, particularly for the quota application, which is crucial. Therefore, it's important to plan well ahead before hiring a foreign worker.

The cost of work permits can be significant per annum. For instance, the official fee for the CERPAC (or resident permit) recently doubled from USD 1000 to USD 2000, and the quota fee is USD 1,000, but it can go up to USD 5,000 for companies in the oil & gas sector. If the direct costs are already significant, the indirect costs are just as high, as such a procedure requires the mobilization of consultants, human resources personnel and lawyers for instance.

The high costs and especially the complex procedures due to the CERPAC yearly renewal can deter foreign investment and strain small local businesses that need foreign expertise but lack the resources to navigate the regulatory environment and cover the associated costs.

## Impacts of Current Policies

High work visa fees and complex procedures may deter international investors. In the first quarter of 2024, foreign direct investment reached only USD 0.1 BN, or 3.5% of Nigeria's USD 3.4 BN capital inflows (source: National Bureau of Statistics, NBS). According to the Federal Ministry of Interior, 50,000 CERPACs are issued each year, far short of the target of 300,000.

Strict work permit requirements make it difficult to transfer skills and train local workers. Larger companies, particularly in the oil and gas and construction sectors, can better manage these procedures with their own resources. On the other hand, small and medium-sized enterprises (SMEs) struggle to recruit skilled foreign workers because of the costs and administrative burdens, which impact on their growth and

competitiveness. However, Foreign SMEs are vital for economic growth, innovation and job creation, and it's important to attract more SMEs with a more conducive investment environment.

## International Comparison

As CERPAC offers the most challenges once on site, particularly because of its cost and short renewal period, this section provides a comparative analysis of residence permit systems in several key and developed economies, focusing on cost, duration and renewal conditions for expatriates, to identify best international practices and highlight gaps.

Country	Permit Name	Duration	Cost (USD)	Renewal Requirement	Additional Notes
<b>Nigeria</b>	<i>CERPAC (Combined Expatriate Residence Permit and Aliens Card)</i>	1 year	USD 2,000	Annually	High costs, annual renewal, and complex procedures can deter foreign investment and business expansion.
<b>United States</b>	<i>Green Card (Permanent Resident Card)</i>	10 years	USD 540	Every 10 years	Offers pathways to citizenship; work visa options include H-1B (3-6 years).
<b>China</b>	<i>Residence Permit</i>	1-5 years	Varies (around USD 150)	Every 1-5 years depending on type	Permit based on work, study, or family reunification.
<b>Germany</b>	<i>Residence Permit for Employment</i>	2-4 years	USD 120-USD 200	Every 2-4 years	Blue Card option available for highly skilled workers; long-term residence after 5 years.
<b>Japan</b>	<i>Work Visa</i>	1-5 years	USD 50-USD 80	Every 1-5 years depending on type	Requires company sponsorship; options for permanent residency after 10 years.
<b>India</b>	<i>Employment Visa</i>	1-5 years	USD 200-USD 300	Every 1-5 years	Specific to job role and company; permanent residency difficult to obtain.
<b>United Kingdom (UK)</b>	<i>Tier 2 (General) Visa</i>	5 years	USD 1,000-USD 1,500	Every 5 years	Pathway to settlement after 5 years; skilled worker routes prioritized.
<b>France</b>	<i>Carte de Séjour</i>	1-4 years	USD 300	Every 1-4 years depending on type	Long-term residence possible after 5 years (10 years); different types of permits for different work categories.

<b>Brazil</b>	<i>Permanent Visa for Investors/Workers</i>	1-3 years	USD 150	Every 1-3 years	Investment-based residency available; long-term options for skilled workers (9 years)
<b>Italy</b>	<i>Permesso di Soggiorno</i>	2 years	USD 130-USD 150	Every 2 years	Requires valid employment contract; permanent residency possible after 5 years (valid indefinitely).
<b>Canada</b>	<i>Permanent Resident Permit</i>	5 years	USD 500	Every 5 years	Multiple pathways to permanent residency, including Express Entry and Provincial Nominee Program.
<b>United Arab Emirates (UAE)</b>	<i>Golden Visa (Long-Term Residency)</i>	5-10 years	USD 500-USD 1,000	Every 5-10 years	Focused on investors and highly skilled professionals; fast-track process for key sectors like tech and finance.

\* This information is general. The table does not contain specific details, such as sector-specific permits or variable costs depending on the applicant's profile.

[According to this BusinessDay article](#), Nigeria's work permit costs (USD2,000 per year), is also much higher than South Africa's USD 777 (contract duration), Ghana's USD 1,000 (per annum), and Rwanda's USD 124 for a two-year renewal. While Ethiopia charges USD 1,600 for two years, Egypt has offered in march 2023 a five-year multiple-entry visa for USD 700.

### Key Insights:

- **Duration:** The vast majority of the countries mentioned offer long-term permits (ranging from 2 to 10 years), which offer greater stability than Nigeria's one-year CERPAC.
- **Cost:** permit in Nigeria is significantly higher than in many other countries, especially in relation to the duration.

To conclude, compared with economies where permits are valid for up to 10 years at much lower cost, the Nigerian system appears uncompetitive. By adopting similar measures, Nigeria could reduce long-term uncertainty and attract more investment and talent, particularly in strategic sectors.



## Stakeholder Perspectives

Business leaders and expatriate workers point out the difficulties with Nigeria's work permit system, stating that it is expensive and slow (6 months maximum to obtain a work permit). Immigration professionals emphasize the necessity of making the system more effective and clear through reforms. The high costs, administrative inefficiencies and the annual CERPAC renewal are viewed as obstacles to attracting foreign investment.

## Recommendations

### 1. Removing quotas

**Objective:** To simplify the process of obtaining work permits and encourage foreign investment.

**Recommendation:** The removal of quotas would greatly simplify the administrative process for businesses, reduce delays and eliminate the issue of quota trafficking. This would help encourage more foreign investment and make Nigeria more competitive in attracting skilled talent.

### 2. Simplification and digitization of procedures

**Objective:** Improve the efficiency and transparency of procedures.

**Recommendation:** The creation of a single digital platform to manage all permit applications (EQA, STR Visa, CERPAC, TWP) would speed up processing. This reform would eliminate costly intermediaries, limit physical contact and increase transparency in the process.

### 3. Increasing transparency and strengthening governance

**Objective:** To reduce indirect costs and give companies greater visibility over work permit fees, improving their confidence in the work permit system.

**Recommendation:** Introducing a clear, standardized charging system would provide greater predictability for businesses. Fee reductions could be applied to exemplary companies employing a significant number of Nigerian workers, encouraging local job creation while making the system fairer and more transparent.

#### 4. Extension of permit validity periods

**Objective:** To reduce the administrative burden and costs for companies and expatriates.

**Recommendation:** Extending the validity of work permits to two years or more (from the current one year) would reduce the need for frequent renewals and cut costs and administrative burdens for businesses, particularly those involved in long-term projects. This reform would be particularly beneficial for sectors such as energy and construction, where stability is essential.

### Benefits for Nigeria

Reforming the work permit system in Nigeria would have many benefits. Streamlining procedures and reducing costs would make the country more attractive to foreign investors and improve its competitiveness. This would encourage foreign companies to hire international talent and facilitate the transfer of skills and technologies to local workers and businesses. Moreover, attracting regional offices would stimulate additional investments, promote the development of higher qualifications among Nigerian employees, and reinforce Nigeria's regional presence, confirming its leadership in the West African economy. Additionally, it would stimulate local demand, supporting various sectors such as trade, construction, and services. Ultimately, the reform would increase fiscal revenues, which could then be used to invest in infrastructure and public services, thereby strengthening the country's economy and fostering more balanced and inclusive economic growth.

### Conclusion

#### Summary

The current work permit system in Nigeria presents significant difficulties for businesses and expatriates. The complex and costly process—marked by high fees, extensive documentation, lengthy processing times

and yearly renewal process—compounds the challenges faced by foreign investors and skilled professionals. This complexity is underscored by the recent proposal of an annual tax for expatriates (USD 15,000 for an expatriate director, USD 10,000 for other statuses), which, though eventually cancelled, highlighted the instability and unpredictability in the regulatory environment.

These difficulties are deterring foreign investment and slowing the recruitment of expatriate talent. For Nigeria to enhance its attractiveness to international investors and foster economic growth, it is imperative to establish a more transparent, stable, and efficient work permit system. Such reforms would not only alleviate the administrative and financial burdens on businesses but also contribute to a more welcoming environment for foreign expertise.

## Call to Action

Relevant and strategic action is crucial for policymakers, businesses, and stakeholders to take decisive steps to handle these issues. We suggest establishing a task force with government officials and private sector representatives to oversee the reform process. This task force should:

1. **Review Proposed Reforms:** Thoroughly review the suggested reforms, including removing quotas, simplifying and digitizing procedures, and extending permit validity periods.
2. **Conduct Public Consultations:** Engage with various stakeholders, such as businesses, expatriates, and immigration professionals, to gather more feedback and improve reform proposals.
3. **Develop an Implementation Roadmap:** Create a clear and actionable plan for implementing the proposed changes, including timelines, responsibilities, and performance metrics.
4. **Monitor and Evaluate:** Establish mechanisms for ongoing monitoring and evaluation of the reformed system to ensure it meets its objectives and continues to evolve based on stakeholder needs.

Taking action swiftly and strategically is crucial to enhance Nigeria's international competitiveness, encourage foreign investment, and promote a more dynamic and inclusive labor market. Addressing these challenges can help Nigeria create a more favorable environment for both domestic and international businesses, ultimately driving sustainable economic development.