ASSET PROTECTION GUIDE FOR NIGERIA'S NEXT GENERATION OF POLITICAL LEADERS

Introduction

As Nigeria gradually moves towards the 2027 election cycle, conversations around political ambition, public appointments and leadership transitions have already begun across boardrooms, family businesses and private investment circles.

For many successful entrepreneurs, investors and high-net-worth individuals, public service often represents a natural next step in their leadership journey. Yet, while significant attention is typically devoted to campaign strategy, stakeholder engagement and political alliances, one critical issue is frequently overlooked: how to properly structure, govern and protect personal and family wealth before entering public office. This oversight can be costly.

The moment an individual assumes a public office by election or appointment, their financial affairs become subject to heightened scrutiny from regulators, financial institutions, counterparties, the media and the public. Assets accumulated legitimately over decades of entrepreneurship and investment may suddenly become the subject of enquiries, investigations, public speculation or reputational attacks.

The most effective asset protection strategy therefore begins before political exposure occurs.

Understanding the PEP Effect

Under the Money Laundering (Prevention and Prohibition) Act 2022 and the Central Bank of Nigeria's AML/CFT Regulations, a PEP is any individual who holds or has held a prominent public function including executive, legislative, judicial, military, or senior government positions or who is closely associated with such a person. Family members and known close associates are equally captured.

The designation does not imply wrongdoing, rather, it reflects the increased risk associated with public office and the need for enhanced monitoring by regulated institutions.

In practical terms, becoming a PEP changes how financial and other institutions interact with you. Banks, investment managers, trustees, insurers and other regulated entities may require additional information regarding source of wealth, source of funds, beneficial ownership arrangements and significant transactions. Similar scrutiny may extend to immediate family members and close associates.

The critical question therefore becomes: Can the individual clearly demonstrate how wealth was acquired, structured, managed and transferred over time?

In addition to enhanced due diligence by financial institutions, individuals who assume public office in Nigeria become subject to the asset declaration requirements under the Constitution of the Federal Republic of Nigeria 1999 (as amended) and the Code of Conduct Bureau and Tribunal Act. Public officers are required to declare their assets, liabilities and those of their spouses and unmarried children under the age of eighteen to the Code of Conduct Bureau upon assumption of office, at the end of every four years, and at the conclusion of their tenure of office.

Although declarations made to the Code of Conduct Bureau are generally treated as confidential except in circumstances permitted by law, the obligation underscores the importance of maintaining complete, accurate and well-documented records of asset ownership, acquisition and beneficial interests long before public office is assumed. Where asset declarations are inconsistent with supporting documentation or legitimate sources of wealth cannot readily be demonstrated, the resulting questions may extend beyond regulatory scrutiny by financial institutions to compliance considerations under Nigeria's public ethics framework.

For many aspiring public office holders, this is where the real work begins, ensuring that every material asset is properly documented, appropriately structured and capable of being accurately disclosed where required by law.

Before Politics: Conduct a Comprehensive Asset Audit

One of the most valuable exercises any aspiring public office holder can undertake is a comprehensive review of his or her asset portfolio.

Many successful Nigerians have accumulated wealth over several decades through operating businesses, investments, inherited assets, partnerships and real estate acquisitions. However, ownership structures and documentation often evolve informally over time.

Common issues include:

- Properties acquired without complete title documentation.
- Assets held through nominees or proxies.
- Informal shareholder arrangements.
- Undocumented loans between family members and businesses.
- Investments funded through transactions with limited supporting records.
- Inconsistent beneficial ownership records.

These issues may not present challenges during ordinary business operations. However, they become significant vulnerabilities when heightened scrutiny begins.

A pre-political asset audit should identify all material assets, confirm legal ownership, regularize documentation and establish a clear evidential trail showing how assets were acquired and funded, as asset protection begins with asset verification.

Separate Personal Wealth from Business Wealth

A recurring weakness among founder led businesses is the absence of clear separation between personal wealth and corporate assets.

Many entrepreneurs operate structures where:

- Personal expenses flow through company accounts.
- Family investments are held through operating companies.
- Company assets are used interchangeably for personal purposes.
- Ownership records do not accurately reflect beneficial interests.

Such arrangements create unnecessary complications once public scrutiny increases.

Before entering public office, business owners should consider whether their personal, family and corporate assets are appropriately segregated.

Clear legal distinctions between operating businesses, investment assets and family wealth not only improve governance but also reduce the risk of future disputes, regulatory concerns and succession challenges.

Asset Declaration Begins Long Before Taking Office

For many public officers, asset declaration is viewed as a compliance exercise that occurs upon assumption of office.

In reality, effective asset declaration begins years earlier.

The quality of any declaration depends largely on the quality of the records supporting it.

Before entering public office, individuals should consider:

- Conducting a comprehensive inventory of all assets and liabilities.
- Obtaining professional valuations for significant assets.
- Reviewing ownership structures and beneficial interests.
- Ensuring consistency between legal ownership and disclosed interests.
- Maintaining documentation supporting acquisition costs and sources of funding.

A properly documented asset base creates a defensible foundation against which future allegations of unexplained wealth can be measured.

Tax Compliance as an Asset Protection Strategy

Asset protection is often associated with legal structures and estate planning. However, one of the most effective forms of wealth protection remains tax compliance.

Tax exposures that may have been overlooked for years often become focal points during periods of increased scrutiny.

Aspiring public office holders should therefore consider:

- Tax health checks.
- Historical compliance reviews.
- Resolution of outstanding tax liabilities.
- Review of tax positions relating to investments, businesses and real estate.
- Documentation supporting historical tax treatments.

The objective is not merely compliance; it is preparedness.

The ability to demonstrate a consistent history of responsible tax management significantly strengthens a family's overall governance framework.

Family Trusts and Wealth Structuring

For many wealthy families, trusts remain an important component of long-term wealth preservation and succession planning.

When properly established and administered, trusts can provide:

- Continuity of wealth management.
- Structured succession planning.
- Protection against family disputes.
- Consolidated oversight of family assets.
- Long-term stewardship across generations.

However, trusts should not be viewed as emergency solutions implemented in response to political exposure or regulatory scrutiny.

Structures created shortly before or after assuming office often attract greater scrutiny than those established as part of a legitimate long-term succession and wealth management strategy, supported by proper governance, independent administration and clearly documented objectives. The timing, purpose and governance of the structure matter.

The purpose of a trust should be institutionalization of wealth, not concealment of wealth.

The Family Office Advantage

As wealth grows, the challenge is no longer simply preserving assets. It becomes managing complexity. Businesses, investment portfolios, real estate holdings, philanthropic initiatives, succession plans and family governance structures must all operate within a

coordinated framework. This is where family offices provide significant value.

A properly structured family office serves as the central platform through which:

- Investments are monitored.
- Professional advisers are coordinated.
- Records are maintained.
- Tax and regulatory obligations are tracked.
- Succession plans are implemented.
- Governance policies are enforced.

For aspiring public office holders, a family office can provide the institutional infrastructure necessary to demonstrate transparency, accountability and continuity irrespective of political developments.

Reputation is Now Part of the Asset Base

Historically, wealth preservation focused on tangible assets such as businesses, investments and real estate. Today, reputation itself has become a critical asset.

Public offices inevitably increase visibility. Allegations, investigations, media reports and public commentary can affect banking relationships, financing arrangements, board appointments, investment opportunities and commercial partnerships long before any formal findings are made.

For this reason, governance, documentation and transparency are no longer merely compliance concerns. They are reputation management tools.

The strongest defense against reputational risk is not secrecy. It is preparedness.

Common Mistakes Aspiring Public Office Holders Make

Certain recurring mistakes can expose otherwise successful individuals to avoidable risk:

- Transferring assets to family members shortly before elections or appointments.
- Establishing wealth structures only after scrutiny has commenced.
- Maintaining undocumented nominee arrangements.
- Failing to separate personal and corporate assets.
- Neglecting tax compliance reviews.
- Operating family wealth without a coordinated governance framework.
- Assuming that legitimate ownership alone is sufficient without supporting documentation.

The issue is rarely the existence of wealth.

More often, it is the inability to explain and substantiate how that wealth has been accumulated and managed.

Conclusion

The transition from private enterprise to public service introduces a level of scrutiny that many aspiring political leaders underestimate.

The most effective response is not reactive restructuring after questions arise. It is proactive governance before public exposure begins.

Asset audits, family offices, trusts, succession planning frameworks, tax reviews and governance structures should not be viewed as defensive measures. They are prudent wealth management tools that support continuity, transparency and long-term preservation of family wealth.

As Nigeria approaches the 2027 election cycle, individuals considering public office have a unique opportunity to organize their affairs before heightened scrutiny begins. Those who act early will be significantly better positioned to preserve both their wealth and their legacy.

AUTHORS

Oyeyemi Oke
Managing Director
oyeyemi.oke@firstfiduciary.ng

Frances Nwakobi-Onuigbo
Partner
frances.nwakobi@firstfiduciary.ng

At **First Fiduciary Limited**, we work with entrepreneurs, family businesses, high-net-worth individuals and emerging leaders to establish robust trust, succession, family office and wealth governance structures designed to preserve assets, support transparency and ensure continuity across generations.

Our mailing address is:
First Fiduciary
3A, Kayode Otitoju Street, Off Admiralty Road,
Lekki Phase1, Lagos