



NIGERIAN PRIVACY REGULATOR FINES FINTECH FOR DATA PRIVACY BREACH

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The National Information Technology Development Agency (NITDA) was established to implement the Nigerian Information Technology policy. According to the National Information Technology Development Agency Act, 2007 (NITDA Act), its mandate includes creating a framework for the planning, research, development, standardization, etc. of Information Technology practices in Nigeria.

As part of fulfilling its mandate, the NITDA recently fined Electronic Settlement Limited the sum of Five Million Naira for Data Protection Breach. This was contained in a press release on Monday, 15th March 2021 signed by the NITDA Head of Corporate Affairs and External Relations, Mrs Hadiza Umar.

Electronic Settlement Limited (ESL) is a financial technology company which provides solutions to financial/ payment problems in Nigeria. Due to the kind of services, it renders, ESL has access to personal data of numerous data subjects. The company has been under investigation for personal data breach for a while now and NITDA has just concluded the investigation. According to the agency, the objective of the investigation was to assess the risk resulting from the breach, with a view to identifying the causes, remedial actions taken and other necessary issues to avoid recurrence. The investigative process involved:

- an analysis of the company's applications and websites;
- visit to the company's office in Lagos,
- review of its technical documents as submitted to the Agency; and
- interrogation of its officials by NITDA investigation team in Abuja.

ESL took full responsibility for the breach.

In compliance with the Nigerian Data Protection Regulation (NDPR/Regulation) and the need to prevent a repeat of this unfortunate breach, NITDA has directed as follows:

- Electronic Settlement Limited shall be under a six-month information technology oversight by NITDA. The oversight shall involve oversight of implementation of prescribed security controls and processes.
- That a clear data security and governance document is drawn up between the Electronic Settlement Limited and all its Information Technology services vendors identifying roles, responsibilities and processes involved in securing and protecting personal data.
- That ESL conducts regular NDPR training for all staff, publish and implement appropriate policies as required by the NDPR.
- Submit 2020/2021 regulatory audit as required by Article 4.1.6 of the NDPR, conducted by a Data Protection Compliance Organization (DPCO) as licensed by NITDA.
- Conduct Data Protection Impact Assessment on some data intensive applications and products.
- Payment of the sum of Five million Naira only (5, 000, 000. 00) as fine in line with the requirements of the NDPR.

For more information on how to comply with the NDPR and how we can assist you as licensed Data Protection Compliance Officers, contact us on E: lawyers2021@tonbofa.com; T: +234(0)1-2954080