



**Nigerian Bar Association**  
**Remuneration Committee**

# **NBA** **REMUNERATION** **COMMITTEE** **REPORT**

**And Recommendations for The  
Improvement Of The Poor  
Remuneration Of Legal  
Practitioners In Nigeria**

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## INTRODUCTION AND TERMS OF REFERENCE

By an update to the Profession dated 28 February 2021, the President of the Nigerian Bar Association (“**NBA**” or the “**Association**”) announced the constitution of the Remuneration Committee of the NBA (“**Remuneration Committee**” or the “**Committee**”). The Committee comprises of the following individuals:

1. Anthony Nwaochei (Chairman);
2. Seyi Olawunmi (Co-Chair);
3. Joshua Enemali Usman;
4. Irene Pepple;
5. Ronke Adeyemi;
6. Reginald Aziza;
7. Ibrahim Effiong;
8. Ekemini Udim;
9. Mohammed Gimba;
10. Petrus Elechi;
11. Chuks Nwana;
12. Kelechi Nwuzi;
13. Barbara Omosun (Secretary);
14. David Etido;
15. Chijioke Ifediora.
16. Joyce Oduah, FICMC, General Secretary, Ex-Officio Member.

The Terms of Reference of the Committee were issued in March 2021. The primary objective of the Committee as stated in its Terms of Reference was to *“devise feasible ways to improve the poor remuneration of legal practitioners, and design a workable and enforceable framework under which lawyers will (i) charge the right fees for their legal services using acceptable and realistic metrics; and (ii) ensure that those fees, when earned, trickle down, in terms of reasonable living wages and emoluments, to those who work with, or for, the lawyers”*. To achieve this primary objective, the Committee was given specific Terms of Reference, stated below:

1. Undertake a critical study of the practice in other jurisdictions (that are akin to Nigeria) in respect of how lawyers charge clients for their services and the manner in which fee-earners are remunerated or compensated by their employers;
2. Carry out an empirical survey of the cost of living (with focus on feeding, transportation, and housing) in various parts of the country in order to propose a 'living wage' for lawyers in each part of the country and such identified living wage shall be recommended to members by the NBA;
3. Consider the possibility of recommending alternative business models or working arrangements that could enhance income, e.g. commission-based employment, part time work arrangements, partnerships and other types of contractual working arrangements that take account of the amount actually earned by the employee lawyer;
4. Propose a new and suitable scale of charges for legal services for consideration by NEC and recommendation to the Legal Practitioners Remuneration Committee (the "**LPA Committee**") established under the Legal Practitioners Act under the leadership of the Attorney-General of the Federation. The new scale of charges should, to the extent possible, be comprehensive in terms of the nature of legal services covered and allow for a period or automatic review of the indices used in making the recommendations so as to match economic realities over time;
5. Work on and propose other initiatives that will in the mid to long term increase the earning capacity of lawyers and law firms to enable them provide improved remuneration packages for their employees in line with the recommended living wage or even better;
6. Make recommendations on the practical and innovative ways in which the recommendations of the Committee in respect of remuneration and scale of charges can be policed or enforced by the NBA. In making these recommendations, the Committee should pay particular attention to if and how the NBA can begin to implement, or ensure compliance with, the new scale of charges prior to (i) any statutory amendments; and/or (ii) the approval of the LPA Committee, and further assume that the LPA Committee will unduly delay in approving the scale of charges;
7. Call for memorandum and inputs from members in respect of the mandate of the Committee and prepare a detailed report on the findings and recommendations of the Committee for presentation to NEC;
8. Consider whether the mandate of the Committee and the implementation of its recommendations could be deemed as anti-competitive under existing competition laws

in Nigeria and if and where necessary, engage with the Federal Competition and Consumer Protection Commission under its enabling statute to resolve any anti-competition concerns that may hinder the implementation of the Committee's recommendations;

9. Consider previous reports and recommendations (if any) that may have been made to or by the NBA in respect of the subject matter of the Committee's mandate and identify why those reports and recommendations were not implemented;
10. Carry out any other related functions that may be assigned to it by the President or the NEC including assisting with the implementation of approved recommendations of the Committee; and
11. Make recommendations to the NBA President and NEC (as appropriate) and carry out such other functions that are consistent with the foregoing or which are necessary to achieve the mandate of the Committee.

The Terms of Reference are appended to this Report as *Appendix 2*.

Upon commencement of its work, and to meet its primary objective and Terms of Reference, the Committee divided itself into two sub-committees, viz: (a) a sub-committee on fees and charges ("**Fees and Charges Sub-committee**"); and (b) a sub-committee on remuneration ("**Remuneration Sub-committee**"). The Terms of Reference and their underlying tasks were also shared amongst the two sub-committees or addressed by the Committee as a whole, as applicable.

To obtain empirical data to guide its recommendations, the Committee recommended that the NBA engage the services of Viisus Technology Limited ("**Viisus**") to conduct a survey into the issues raised by the Terms of Reference ("**Survey**"). The Survey was conducted primarily through questionnaires and telephone calls as well as desktop research on the cost of living. A total of 6,000 responders across all the NBA branches located in the 6 geo-political zones of Nigeria ("**6 Geopolitical Zones**" or "**Regions**" and each a "**Geo-political Zone**" or "**Region**") responded to the Survey. Viisus issued its report to the Committee in September 2021 (the "**Survey Result**"). A copy of the Survey Result, empirical data from which will be used in this Report, is appended as *Appendix 3*. This Report is divided into two (2) sections, the first section dealing with Fees and Charges and the second dealing with Remuneration in accordance with the Committee's primary objective.

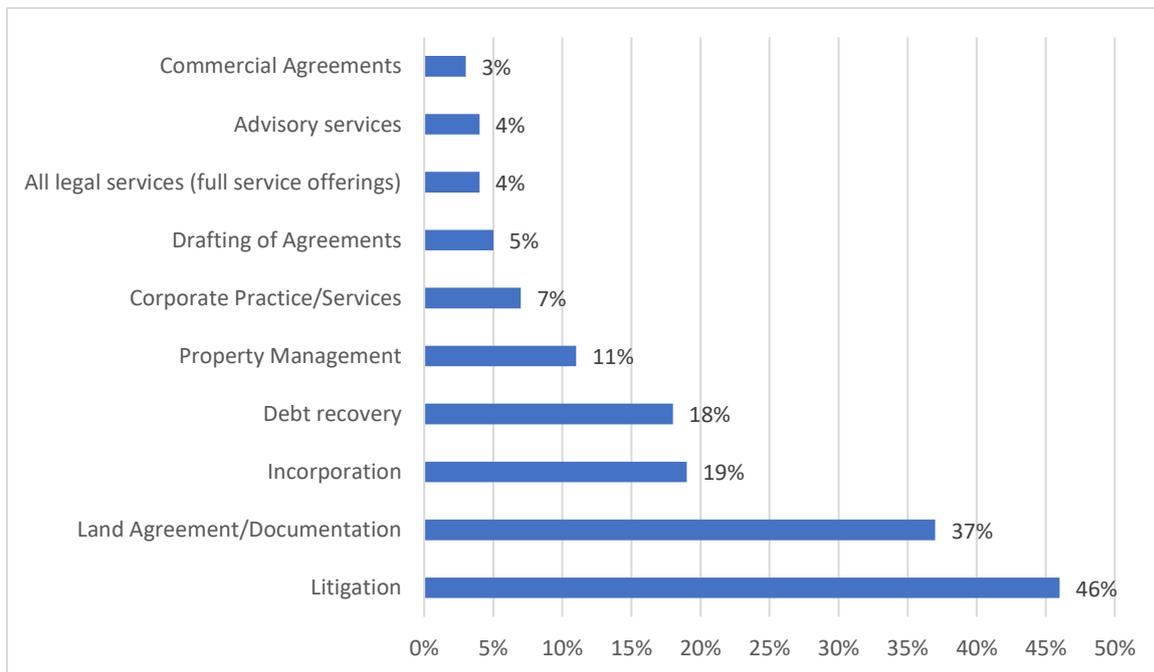
# SECTION 1: REPORT ON FEES AND CHARGES FOR LAWYERS

This section of the Report is divided into 5 parts, each addressing a specific issue in the Terms of Reference that fell within the remit of the Remuneration sub-committee:

## PART 1 – PRACTICE IN OTHER JURISDICTIONS PERTAINING TO CHARGES

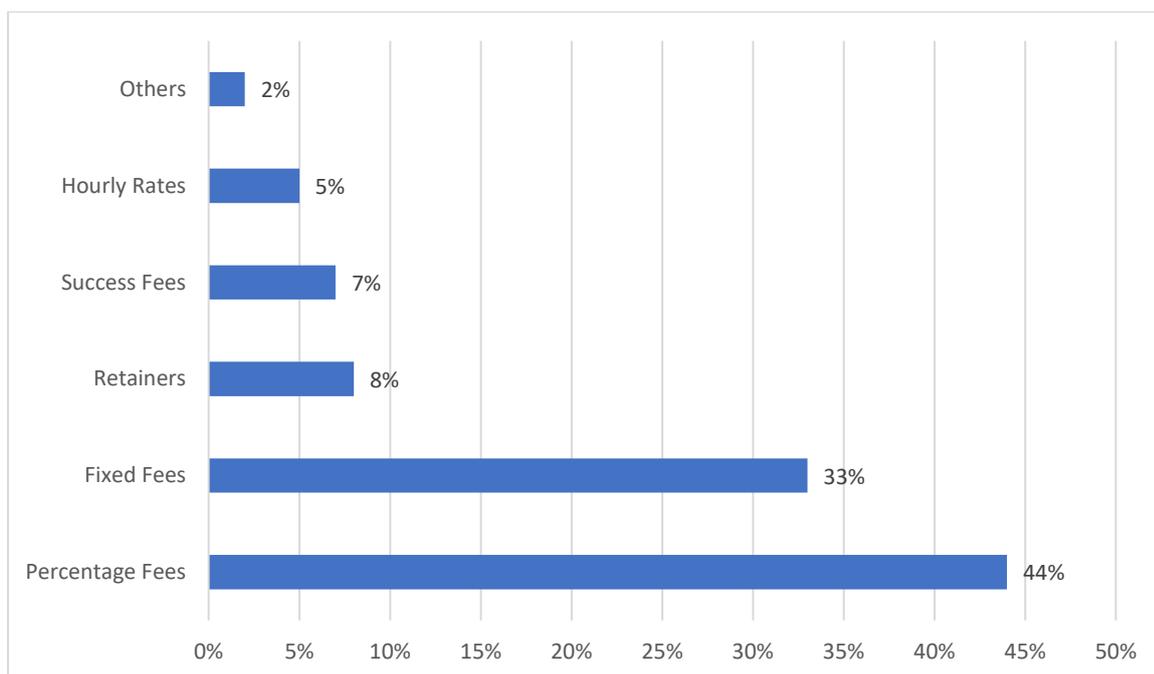
The starting point in the examination of billing methodology adopted in the profession is a consideration of the billing methods currently used by members of the Association.

The Survey examined the most frequent earning services offered by law practices in Nigeria and the billing methods members of the profession typically employ in charging for their services. The Survey Result showed the top 10 most frequent earning services offered by law firms as follows:



*Figure 1: Top 10 fee earning services offered by Legal Practitioners in Nigeria*

Similarly, the Survey Result showed the most actively used billing methods adopted by members of the Association as follows:



*Figure 2: Billing Methods Applied by Nigerian Legal Practitioners for Legal Services*

The above revealed that litigation and land transactions constitute the bulk of legal services rendered by legal practitioners across Nigeria. For these services, Nigerian legal practitioners primarily charged percentage fees and fixed fees. The Committee was sensitive to these findings.

In addition, the Committee conducted a cross-jurisdictional analysis of how lawyers in six (6) other jurisdictions charge clients for their services. The comparator countries for this analysis were Ghana, Uganda, Rwanda, New Zealand, Australia, and the United Kingdom.

## **1. Ghana**

On 9 April 2015, the Ghana Bar Association adopted a new scale of fees to guide charges for legal services in Ghana. The Ghanaian scale is a comprehensive scale, setting out different fee structures (such as fixed fees, fixed fees plus success fees, hourly rates, hourly rates plus success fees and hybrid billing methods (such as fixed fees for a part and hourly rates for another part of a work). The scale also covers a wide range of types of legal services, including litigation (covering different types of disputes, including appellate cases), representation before judicial and quasi-judicial bodies, conveyancing, incorporation, probate matters, debt recovery etc. The Ghanaian scale aims to build flexibility into the billing methodology, by creating

several types of billing methods, remuneration bands, and permitting lawyers to charge below the limits in the scale if the client is unable to pay the minimum fees.

## **2. Uganda**

According to the Advocates Act of Uganda, scale of charges of Advocates is calculated in two ways - contentious and non-contentious matters.

- A. Contentious matters: Fees or charges vary from magistrate courts to High courts. Advocates start to charge fees from the moment they receive instructions to sue or defend. There are no fixed charges concerning contentious matters. However, fees can be charged by percentage and within the limits of the schedule. The breakdown of how the scale of fees is calculated can be found in the 6<sup>th</sup> Schedule of the Act.
- B. Non-contentious matters: This is calculated by percentage and can be seen from the 1<sup>st</sup> –5<sup>th</sup> schedule of the Act.

## **3. Rwanda**

Like Ghana, the Rwandan Bar Association regulates fees and has a scale of fees that provides baseline and maximum charges. Advocates are allowed to freely fix their fees within the limits of the scale and must not charge outside the baseline and above the maximum. Fees are determined in the following categories:

- A. Professional Fees  
Professional fees are computed and charged in the following broad ways:
  - a. Proportional fees;
  - b. Fees on the basis of time spent;
  - c. Hourly rates;
  - d. Daily rates;
  - e. Fees based on results;
  - f. Complementary fees;
  - g. Fixed fees
- B. Permanent Agreement
- C. Advocates deposit on fees
- D. Costs: administrative, travel expenses etc.

#### 4. New Zealand

In New Zealand, the fees a lawyer charges depends on the nature of the matter and the quality of the legal services to be rendered. Fees may be charged on fixed basis or on hourly basis. However, whether it is on fixed or hourly basis, baselines are provided. For instance, for a fixed fee, the baseline or standard fee is \$250 upwards, while the hourly rates start from \$200 and is capped at \$600.

In 2016, a survey conducted by the New Zealand law society showed that the average hourly rates charged by lawyers differed from one gender to another, as follows:

	<b>Female</b>	<b>Male</b>
Small (<5 lawyers)	\$236.32	\$253.11
Medium (5 – 20 lawyers)	\$266.65	\$276.85
Large (>20 lawyers)	\$326.91	\$351.27

#### 5. Australia

Costs or charges are applied and calculated differently in the different regions of the country.

- A. New South Wales: Costs are calculated on hourly rates. However, if the costs agreement is set aside or the hourly rate is unreasonable, fair and reasonable rates will apply. Section 199 of the Legal Profession Uniform Law sets out parameters for assessing what is deemed fair and reasonable.
- B. Victoria: Solicitors are allowed to fix their charges based on the agreement with the client. The factors to consider when charging include:
  - Time
  - Reference to scale
  - Fixed or flat fees
  - Conditional fees
- C. Advocates: There are no uniform charges as it differs from the Magistrate court to the Supreme Court. There are different scales of charges for each matter.

#### 6. United Kingdom

Advocates in the United Kingdom practice law either as solicitors or barristers. Fees are charged based on the type of services rendered.

Solicitors primarily charge fees on an hourly basis. There is no standard amount that a barrister can charge and they are allowed to set up their own prices for their services. As a guide, fees can be charged based on experience as follows:

Under 5 years	£75 per hour + VAT
5 – 10 years	£125 - £275 per hour + VAT
10 – 15 years	£150 - £450 per hour + VAT

Different types of fee structures are also routinely applied in the United Kingdom, including fixed fee arrangements, hourly rates, conditional fee arrangements, and arrangements using different or hybrid pricing methodologies.

# PART 2 – PROPOSED SCALE OF CHARGES FOR THE NIGERIAN LEGAL PROFESSION

## Overview

Before proposing a new scale of charges for the legal profession, it is important to understand (a) what laws/rules regulate charges for legal services; and (b) what are the limitations of the existing system? These will set the stage for a better understanding of the proposed scale set out in *Appendix 1* of this Report.

### 1. Law/Rules Regulating Charges for Legal Services

#### A. Legal Practitioners Act

The Legal Practitioners Act (“LPA”) contains generally enabling sections for setting up of Legal Practitioners Remuneration Committee (“LPRC”)<sup>1</sup> for determining scale of fees, recovery of professional fees and taxations. However, the LPA does not contain specific provisions on how legal practitioners are to charge for their services.

#### B. Rules of Professional Conduct

The Rules of Professional Conduct for Legal Practitioners (“RPC”) contains several provisions regulating how legal practitioners charge for their services. The RPC recognizes the entitlement of every legal practitioner to adequate remuneration,<sup>2</sup> and precludes lawyers from charging excessive fees for their services.<sup>3</sup> The RPC also makes copious provisions relating to retainers,<sup>4</sup> contingency fee arrangements,<sup>5</sup> and prohibiting legal practitioners from entering into agreements to pay for or bear the expenses of a client’s litigation.<sup>6</sup>

Regarding how legal practitioners determine their professional fees, the RPC requires that fees charged are to be reasonable and commensurate with the service rendered and should not be

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<sup>1</sup> See LPA, section 15.  
<sup>2</sup> See RPC, rule 48 (1).  
<sup>3</sup> See RPC, rule 48 (2) and (3).  
<sup>4</sup> See RPC, rule 49.  
<sup>5</sup> See RPC, rule 50.  
<sup>6</sup> See RPC, rule 51.

too low or too high.<sup>7</sup> In setting these fees, the legal practitioner can consider various factors including the time and labour required as well as the novelty and difficulty of the matter; whether engagement on the matter will preclude the legal practitioner from taking on other matters; the customary charges of the Bar for similar services; the amount in controversy and benefits accruing to the client; the certainty of compensation; and whether the engagement is casual or for an established client.<sup>8</sup>

### **C. Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order, 1991**

This Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order, 1991 (the “**Order**”) made by the Legal Practitioners Remuneration Committee pursuant to the powers conferred on it by Section 15(3) of the LPA, regulates legal practitioner’s fees with respect to businesses connected with any sale, purchase, lease, mortgage and other matters of legal documentation, as well as other business not otherwise regulated or other businesses not relating to litigation.<sup>9</sup> Specifically, the Order regulates the following:

- a. Sale of property;
- b. Deducing title;
- c. Perusing a draft;
- d. Perusing and completing legal documentation;
- e. Investigating title and preparing legal documentation;
- f. Negotiating a loan (mortgage), auction, lease and other land related transactions;
- g. Deducing title and perusing documents and completing mortgage contract;
- h. Deducing title, perusing and completing legal documentation on sale by auction.

The Schedule to the Order sets out a scale of charges (the “**Scale of Charges**” or “**Scale**”) for matters falling within the remit of the Order. By Order 7, the fees prescribed in the Scale are non-negotiable<sup>10</sup> and a legal practitioner who does not charge in accordance with the Scale is guilty of professional misconduct and is liable to appear before the Legal Practitioners Disciplinary Committee (“**LPDC**”).<sup>11</sup> The Scale of Charges sets out the following scales for the computation of fees for legal documentation

- a. **Scale I:** This deals with charges for sale, purchase or mortgages.

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<sup>7</sup> See RPC, rule 52 (1).

<sup>8</sup> See generally, RPC, rule 52 (2).

<sup>9</sup> See Order 1 of the Order.

<sup>10</sup> See Order 7 (1) of the Order.

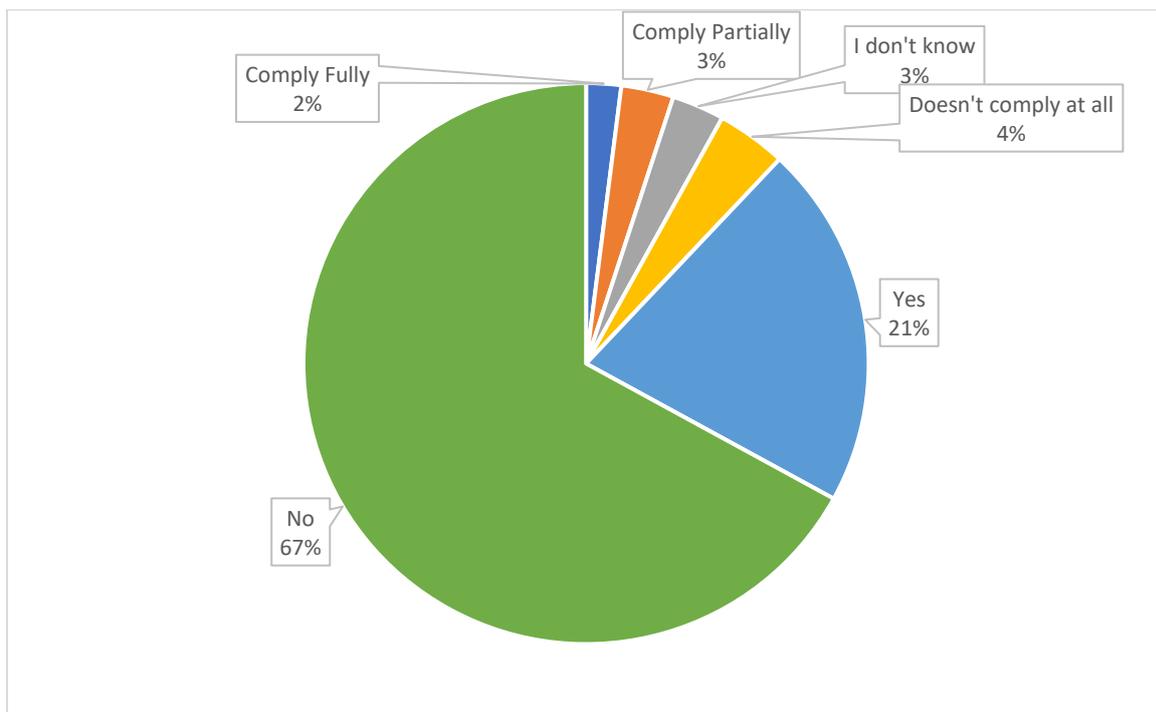
<sup>11</sup> See Order 7 (2) of the Order.

- b. Scale II: This deals with charges for leases.
- c. Scale III: This deals with all other legal documentation not provided for in scales I and II.

The particular scale to be applied by a legal practitioner when charging for legal work depends on who the legal practitioner is doing solicitor’s work for, i.e. whether it is for the mortgagor or mortgagee, vendor or purchaser, lessor or lessee.

**2. Limitations of the Current Regime for Computing Legal Fees**

Although using the Scale to compute legal fees is taught at the Nigerian Law School, available data suggests that the Scale is much less employed in practice. From the Survey, although 63% of respondents were aware of the existence of the Scale,<sup>12</sup> only 21% of respondents stated that they used it, and only 2% stated they were in full compliance. On the other hand, 67% of respondents stated that their firms did not comply with the Scale. Below is the excerpt of this finding from the Survey Result.



*Figure 3: Level of Compliance of Law Firms with the Scale of Charges*

Several factors have been identified as being responsible for the poor level of compliance by legal practitioners and law firms with the existing scale of charges. On 27 August 2021, the

<sup>12</sup> See page 25 of the Survey Results

Committee led a townhall of the Association to discuss the issue of the charges for legal services. During the townhall, members of the Association were asked to answer certain poll questions designed to obtain additional empirical data on the Scale (the “**Poll**”)<sup>13</sup>. Figure 4 reports the result of the Poll on the limitations of the existing scale. Each of these limitations is briefly discussed below.

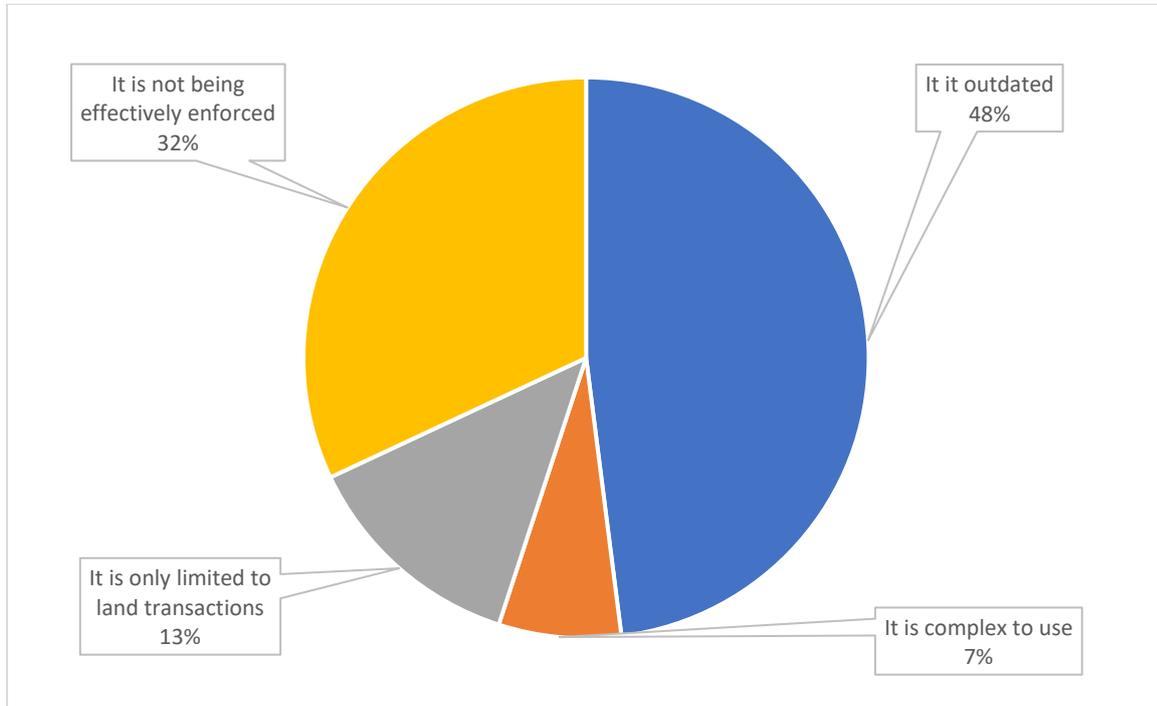


Figure 4: Limitations of the Existing Scale of Charges

### A. Currency/Datedness of the Scale

The most severe limitation of the Scale identified by members of the Association is that it is outdated. As noted previously, the Scale was promulgated in 1991 and has not been revised since then. It has therefore not been adjusted to reflect current economic realities, in particular, inflation.

To buttress this point, consider the following example: A legal practitioner is representing a client in the purchase of a home in Abuja, Nigeria. Assume the purchase price to be ₦10,000,000. Applying Part 1 of scale 1 of the Scale of Charges, the legal practitioner’s fees will be computed as follows:

Rule	Computation	Amount
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<sup>13</sup> The Poll had a total of 615 respondents. A copy of the Poll results are annexed to this Report as *Appendix 4*.

For the first ₦1000 per ₦100, charge ₦22.50	= ₦22.50 x 10	₦225
For the second and third ₦1000 per ₦100, charge ₦3.75	= ₦3.75 x 20	₦75
For each subsequent ₦1,000 up to 20,000 per ₦100, charge ₦3.62	= ₦3.62 x 170	₦615.4
For the remainder without limit, per ₦100, charge ₦2.80	= ((₦10,000,000 – ₦20,000)/100) x ₦2.80	₦279,440
Total		₦280,355.4

*Table 1 – Sample Computation of Fees using the Scale of Charges*

The above computation reveals at least two key things. First, the Scale adopts a regressive computation philosophy (i.e., the higher the value or consideration, the lower the fees). This philosophy is defensible in principle, as holding the percentage of fees constant will lead to absurd results at higher property valuations. Second, unfortunately, the Scale has not kept track of modern economic realities, as the highest end of the fee band is improperly calibrated. For sale and mortgage transactions, this is achieved at property valuations beyond ₦20,000. This effectively caps fees for sales transactions at 2.8%.<sup>14</sup> On the other hand, for leases under Scale II, the highest end of the fee band is ₦1,000, effectively setting a mandatory fee of 12.5% for lessor’s legal practitioners and 6.25% for lessee’s legal practitioners.<sup>15</sup> Undoubtedly, as a result of inflation since the Order was promulgated in 1991, it is very difficult to see a sale or mortgage transaction, or a lease transaction that is below the highest end of the fee band (₦20,000 and ₦1,000) today.

## **B. Enforcement**

Poor enforcement is the second key limitation identified by members of the Association that accounts for the reduced use of the Scale in practice. Rule 7 of the Order makes it mandatory for legal practitioners to charge in accordance with the Scale and makes any legal practitioner who contravenes the Order guilty of professional misconduct and liable to appear before the

<sup>14</sup> This can be seen by simulating the computation using different property valuations. Mortgage fees have a higher cap under the Scale.

<sup>15</sup> See Rules 1 and 2 of Part 1, Scale II of the Order.

LPDC. The LPDC is made up of 49 individuals (i.e. the Attorney General of the Federation, the 36 Attorneys-General of the States and 12 legal practitioners nominated by the NBA).<sup>16</sup> Even with the best of will and intention, there are serious reasons to doubt that the 49-member LPDC has the institutional capability to enforce an everyday issue like the Scale of Charges, which regulates property transactions that legal practitioners conclude on a daily basis. It is therefore unsurprising that 67% of legal practitioners surveyed admitted to not using the Scale.

### C. Restricted Scope

13% of respondents at the Poll considered the fact that the Scale is limited to property transactions to be a key limitation. This is unsurprising. Unlike other jurisdictions surveyed above,<sup>17</sup> the Scale is expressly limited to legal documentation and land matters.<sup>18</sup> Legal practitioners providing legal services outside of the narrow ambit of the Order therefore must rely on the RPC in determining their fees.

As discussed above, the RPC only provides factors legal practitioners must consider in setting their fees. This leaves room for flexibility and the potential for abuse through undercutting. This is backed by empirical data. When asked what is to be done about the Scale, 68% of Poll respondents stated the amounts in the Scale should be amended and the scope of the Scale expanded to cover other types of legal services.<sup>19</sup> Similarly, most legal practitioners (91%) support the standardization of fees through a scale, with 48% justifying this on the basis of maintaining uniform pay and stopping improper charging.<sup>20</sup>

### D. Complexity

Complexity is another key criticism levied on the current Scale. The Scale provides for a wide range of legal services relating to legal documentation for property transactions,<sup>21</sup> backed by ad-valorem and computationally unclear tables of fees. The result is that for each type of

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<sup>16</sup> See LPA, section 10 (2).

<sup>17</sup> See Part 1 of this Report.

<sup>18</sup> See Rule 1 of the Order.

<sup>19</sup> See Responses to Question 3 in the Townhall Poll.

<sup>20</sup> See pages 27 and 28 of the Survey Result.

<sup>21</sup> These include the sale, deducing title, perusing a draft, perusing a draft and completing legal documentation, investigating title and preparing legal documentation, negotiating a mortgage, auction, lease and other related land transactions, deducing title and perusing documents and completing mortgage contracts, and deducing title, perusing and completing legal documentation on sale by auction.

transaction, legal practitioners using the Scale must navigate a complex puzzle to properly identify the services they are providing and correctly calculate their inflation-resistant fees. Unsurprisingly, legal practitioners have found it easier to jettison the Scale in its entirety, in favour of simple and clear calculation methods such as percentage fees (44% of respondents in the Survey) and fixed fees (33% of respondents in the Survey).

### 3. Proposed Scale of Charges

A new scale of charges (“**New Scale**”) is set out in *Appendix I* to this Report (see further below). Some of the unique features of the New Scale, directly responding to feedback from members of the Association, are stated below:

- a. The New Scale expands the scope of the current Scale beyond property transactions. This addresses the request of 68% of Poll respondents who wanted the scope of the Scale to be expanded beyond legal documentation.
- b. The New Scale is tiered according to state bands. Sections 7 and 8 of the New Scale require the LPRC to designate each state in the country as falling within a certain band to which minimum and maximum fees apply depending on the type of legal service provided. This addresses the request of 54% of Poll respondents who stated that a new scale of charges should vary according to state/geographical region to reflect the economic realities of clients in different parts of Nigeria.
- c. The New Scale sets out minimum and maximum bands for legal practitioners with varying degrees of experience. This is to capture the clamour by members of the profession for fees to be reflective of the experience and standing of the legal practitioner with conduct over the matter.
- d. The minimum and maximum bands have been very carefully calibrated. The metrics used in arriving at the figures are explained below:
  - i. For Senior Advocates and legal practitioners with 0-10 years’ experience, except for incorporation, miscellaneous disputes and appeals, the maximum range is typically 10 times that of the minimum range (see the paragraph below, and section 6 of the proposed order for how the maximum band is designed to work).
  - ii. For legal practitioners with over 10 years of experience, the maximum range is typically 25 times that of the minimum range to cater for the wide variety of legal practitioners above 10-years’ experience who may not be Senior Advocates.

- iii. For incorporation matters, a range of 1-4 times is given across all levels of experience as special exertion is typically not required for incorporation of companies or registration of businesses.
  - iv. For miscellaneous disputes and appeals, a range of 1-15 times is given for Senior Advocates and legal practitioners below 10 years' experience to cater for the wide range of matters that may fall within this category. Non-SANs above 10-years' experience have a band of 1-30 times in this type of matters to cater for the wide variety of legal practitioners that are likely to fall in this bracket.
  - v. For property matters, the regressive rate of computation in the existing scale is preserved (i.e. the amount chargeable reduces as the value of the property increases). Property transactions do not have any bands dependent on experience of counsel, as they use fairly standard and common agreements which are well-known and widely available to legal practitioners irrespective of experience. Here, the expectation is that clients who are concluding high-value transactions are likely to be represented by more experienced counsel, who can thereby earn higher fees.
  - vi. The hourly rates for State Band 3 are substantially higher than Bands 1 and 2. The expectation is that only clients in these states will be able to retain legal practitioners on an hourly basis. The band uses average hourly rates charged by top commercial law firms in Lagos, converted at an official exchange rate of approximately \$1 – N410 and rounded up/down.
- e. Although the New Scale sets out maximum fee limits, it is important to note that it **DOES NOT** prohibit charging beyond the limit. On the contrary, the New Scale tries to achieve a balance between a legal practitioner who considers himself/herself to be entitled to demand higher wages, and the interests/education of the client. Thus, where a legal practitioner intends to charge beyond the maximum band, he/she must specifically advise the client to that effect by providing the information required in section 6(4) of the proposed order. In this way, the client is properly informed on the proposed charge and can make an informed decision as to whether to pay higher than market rates for the service. It is, of course, plausible that in several circumstances, a client will make that election in favour of a trusted legal practitioner or a legal practitioner largely recognised to be a leader in a field of law. In addition, charging above market rates places an obligation on the legal practitioner to take out, and provide the client with a copy of his/her professional indemnity cover. In this way, the benefit

of charging above market rates is backed with the responsibility of providing better-than-average quality service.

## **PART 3 – INITIATIVES TO INCREASE THE EARNING CAPACITY OF LAW FIRMS AND LAWYERS**

In recent times, a raging debate has arisen as to whether there are too many legal practitioners in Nigeria. The argument is to the effect that the value clients ascribe to legal services and the fees they are willing to pay for such services is largely influenced by the factors of demand and supply. Where there is an over-supply of legal practitioners, fees drop and vice-versa.

Notwithstanding this debate, evidence shows that most legal practitioners do not believe there is an over-supply problem in the legal profession. Thus, 70% of respondents at the Poll answered in the negative when asked if there are “too many lawyers and not enough work to go around”. Consequently, if there are not too many legal practitioners at a macro level, it will be necessary to examine if there are too many legal practitioners chasing the same type of legal work. Here again, the evidence clearly shows the source of the problem, given the finding that most legal practitioners in Nigeria earn their fees from litigation and property transactions.<sup>22</sup>

What other areas of law exist to permit legal practitioners to diversify their earning potential and thus earn better fees? In recent times, different areas of law have emerged, but remain relatively unexplored. If explored, they would most probably, increase the earning capacity of lawyers and law firms considerably. To this end, this Part briefly examines some of those areas. One positive with the emerging areas discussed in this Part is the fact that legal practitioners can take advantage of them in their locations across Nigeria, without being in Nigeria’s commercial hubs. Properly done, these unexplored areas of law can increase the earning capacity of legal practitioners and law firms in Nigeria, by diversifying fee earning services beyond litigation and legal documentation.

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<sup>22</sup> See Figure 1 above.

## **1. Entertainment Law**

The Nigerian entertainment industry is developing very rapidly. From a nascent industry some years ago, the industry has now blossomed into a multi-billion-dollar industry. Some of Nigeria's leading acts (movies and music) now feature prominently outside of Nigeria and the domestic market for entertainment continues to expand, driven, in large part, by the equally explosive growth of technology. This raises the need for different types of legal services, including intellectual property law, contracting, licensing and royalty arrangements. Crucially, although Nigeria's leading acts are likely to be clustered around Nigeria's commercial hub of Lagos, different regions and states around Nigeria have domestic acts, which provide opportunities for lawyers. In this regard, some of Nigeria's celebrated acts come from, reside in, and perform their acts out of the Niger Delta, Middle-Belt and Eastern Nigeria, creating a market for lawyers in these regions to expand their service provision and earn additional fees.

## **2. Medical Negligence**

Nigeria, unfortunately, has an uncomfortable history with medical negligence. The country continues to grapple with instances of patients suffering worse conditions or suffering fatalities as a result of poor medical service delivery. Although the legal profession should be seen as partners with the medical profession in improving the quality of life of citizens, the legal profession retains its duty to competently represent clients who have been injured and seek redress. Given that medical negligence cases will not be limited to specific parts of the country, capacity building in this regard can immediately improve the earning capacity of lawyers in different parts of Nigeria.

## **3. Sports Law**

Sports law has remained a nascent area in Nigeria, even though the Nigerian sports industry, like the entertainment industry continues to grow exponentially. The NBA can examine ways of improving capacity in sports law to make it a more vibrant area of law to increase the earning capacity of legal practitioners.

#### **4. Technology Law**

Technology has permeated all aspects of our life and its interconnection with different aspects of life raise novel issues which require legal analysis/support. For instance, the impact of technology (particularly social media) has expanded the frontier of the law of defamation and intellectual property law. The impact of technology on finance has led to an exponential growth in the ways financial services are rendered to retail clients, raising novel legal issues for both the financial services providers and consumers. Given how nascent these areas are in the Nigerian legal market, capacity building can productively improve the scope of lawyers and law firms to provide services to users and consumers of these tech-enabled products and as such increase their earning capacity.

#### **5. Consumer Protection Law**

The advent of the Federal Competition and Consumer Protection Act 2019 (“FCCPA”) has raised up novel important areas of law which lawyers and law firms can profitably exploit to increase their earning capacity. Consumer protection has hitherto not been a well-developed area of law in Nigeria. For instance, airline customers remain at the mercy of airlines when flights are severely delayed or cancelled, and prices of goods and services often increase exponentially beyond rational cost-based justifications (e.g., the price or quality of telecommunication services). These raise interesting issues in consumer protection law which can be engaged in both individual and collective cases under the FCCPA. Capacity building in consumer protection can significantly improve earning capacity of lawyers in these areas, leading to increased fees and earning capacity. Like other areas of law discussed in this note, consumer protection law does not need to be restricted to Nigeria’s commercial hubs.

## PART 4 – ENFORCEMENT

As noted above, poor enforcement is one of the key limitations militating against the effectiveness of the current Scale. As discussed previously, this may be due to the centralization of enforcement in the hands of the LPDC and the institutional limitation of the LPDC to superintend over an everyday issue of this nature.

Ideally, an effective scale of charges must therefore be self-enforcing, in the sense that it must be capable of enforcement with little reliance on the enforcement institutions of the profession. However, even in the face of the self-enforcing characteristics of an effective scale of charges, there is always the need for third party enforcement institutions to monitor the integrity of the scale of charges which function can only be achieved where adequate records of terms of engagement exist. Thus, as a preliminary point, it is proposed as a general rule that every legal practitioner must enter into written terms of engagement with a client setting out the scope of work and fees before the legal practitioner commences work.

The Committee has closely examined the enforcement of the new scale of charges. For disputes, the Committee recommends enforcement of cost through actual cost assessments and awards.

For property transactions, the Committee recommends two alternatives, both of which rely on the issuance of a special stamp for property transactions that is in the custody of the local branch of the NBA. The seal serves as authentication by the NBA that the person who prepared the document is a duly qualified legal practitioner and must appear on any document or agreement pertaining to land that is presented for stamping or registration, for it to be received or acted upon by the applicable government body. In the first option, legal fees are paid to the legal practitioner who is required to pay a percentage of the amount that would have been payable under the scale to the local NBA Branch to obtain the seal on the documents. This incentivises the legal practitioner not to undercut when charging the client. In the second option, the legal

fees are paid by the client to the local branch of the NBA which deducts a portion, remits the balance to the legal practitioner and seals the documents.

For consistency in application, the Committee is of the view that it will be preferable for the LPRC to adopt one of the two approaches for the entire profession at the time of adopting the new scale. Pending this, the local branches of the NBA can adopt either of the alternatives. Each of the alternatives is discussed in turn below. The strengths and limitations of each is also briefly analysed. Irrespective of the option that is adopted, the Committee recommends that upon the special stamps for property transactions coming into force, the NBA should formally communicate to the Attorney-General of every state, as well as the Attorney-General of the Federation, the requirement that the appropriate special stamp must be affixed on any document pertaining to property transactions that is presented for stamping or registration at a state or federal Internal Revenue Services or at the Federal or State land registries respectively.

## **1. ENFORCEMENT IN DISPUTES AND LITIGATION**

The rules of court empower courts to make cost orders at the end of a matter and at various interlocutory stages. For instance, Order 53 Rule 1 of the High Court of Lagos State (Civil Procedure) Rules 2019 provides for costs to be awarded on an indemnity basis to cover the cost of legal representation of the successful party, as well as travel and other expenses.<sup>23</sup> The Judge is empowered to order such costs summarily, but where it is impracticable to do so, the Judge is empowered to refer costs for assessment by an assessment officer.<sup>24</sup> This principle is applied in other courts.<sup>25</sup>

Ordering costs on an indemnity basis affords the court an opportunity to determine the actual cost of litigation and fees paid to counsel. The Committee therefore recommends the following procedure in relation to disputes:

- a. At the commencement of a matter, counsel on both sides file the fees charged to the client to court. The filing is to be signed by the client and the legal practitioner and backed by an affidavit of accuracy by the legal practitioner.

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<sup>23</sup> See Order 53, rule 1 (1) – (3) of the High Court of Lagos State (Civil Procedure) Rules 2019.

<sup>24</sup> *ibid*, rule (4).

<sup>25</sup> See Order 25, rule 2 of the Federal High Court (Civil Procedure) Rules 2019 empowering the Judge to summarily determine costs or to refer cost assessment to a taxing officer; Order 56, rule 4 and 5 of the High Court of the Federal Capital Territory, Abuja (Civil Procedure) Rules 2018; Order 8, rule 19 of the Supreme Court Rules.

- b. As the matter progresses, counsel submit costs and other reimbursable amounts incurred to court.
- c. Given the delays often encountered in litigation, counsel can update their cost filing, consistent with fee revisions charged to clients. Counsel will be entitled to make final fee filings alongside filing of final addresses or terms of settlement. Filing of inaccurate or misleading costs or costs that differ from actual amounts charged to the client will make the legal practitioner liable for both criminal prosecution (perjury) and disciplinary action (misleading the court).
- d. At the conclusion of the matter, the court orders the taxation or assessment of costs by the taxing or assessment officer. The taxation order makes a recommendation of costs based on the actual amounts charged to the clients. This incentivises the legal practitioner to charge properly as he/she will only be able to recover actual fees and costs.

## **2. ENFORCEMENT IN PROPERTY TRANSACTIONS**

As stated above, the Committee recommends two options to be considered in enforcing the scale of charges for property transactions. To demonstrate how both options will operate in practice, assume a land sale transaction with a consideration of N100,000,000. Assume that applying the new scale, the professional fees to be charged by the legal practitioner is N5,000,000. Assume further that the local branch of the NBA takes 5% of the fees to be charged under the scale as the administrative fee for administering the stamp. This amounts to N250,000.

### **A. OPTION 1 – PAYMENT BY THE CLIENT TO THE LEGAL PRACTITIONER**

This option will work as follows:

- a. The client pays the fees of ~~N~~5,000,000 to the legal practitioner for the particular transaction;
- b. The legal practitioner pays the sum of ~~N~~250,000 to the local branch of the NBA.
- c. The branch verifies that:
  - i. The individual submitting the agreement is a duly qualified legal practitioner by confirming his/her Supreme Court enrolment number. Note: the legal practitioner need not be practising law in that branch. Therefore, a legal practitioner from one state would be permitted to file agreements in another state.

- ii. The legal practitioner has signed terms of engagement with the client, setting out the fees to be paid by the client for the legal services.
- iii. The percentage paid by the legal practitioner to the branch accurately reflects the portion of the professional fees that would have been paid.
- d. The branch affixes the stamp on the document.
- e. The legal practitioner continues with the document for consent and registration.

Where a legal practitioner is only involved in reviewing draft agreements (e.g. a legal practitioner representing a lessee where the legal documentation is prepared by the lessor's legal practitioner), the legal practitioner will make the payment to the local branch of the NBA and provide the signed terms of engagement and evidence of payment to the legal practitioner presenting the documents for stamping by the branch. The Branch will need to see documentation and payment from both sets of legal practitioners before affixing its stamp on the document.

### **Strengths of Option 1**

- a. **Simplicity:** This option is easy to apply in practice and will not require special procedures or considerations.
- b. **Incentives:** This option primarily works on incentives rather than compulsion. In other words, it incentivises the legal practitioner to charge correctly for his/her fees, knowing that a portion of these fees will be paid to the local branch of the Bar. By undercutting, the legal practitioner further erodes the value he/she may have earned.

### **Limitations of Option 1**

- a. **Ease of evasion and manipulation:** The key limitation with this option is that there are several ways this system can be evaded or manipulated. First, a legal practitioner who intends to undercut can simply understate the consideration for the purchase of the property in the relevant deed or legal documentation. Thus, in the example above, a legal practitioner can state the consideration for the purchase to be ₦50,000,000 instead of ₦100,000,000, leading to a lower amount to be collected by the branch. Second, a legal practitioner can agree with the client to collect a lesser sum than is required under the scale on the understanding that the client will gross-up the administrative fee to be paid to the branch. Thus, a legal practitioner who has been asked to frank the document described above can accept a much lower professional fee (e.g. ₦250,000) on the

understanding that the client will gross-up the administrative fee of ₦250,000 to be paid to the branch.

## **B. OPTION 2 – PAYMENT BY THE CLIENT TO THE LOCAL BRANCH OF THE NBA**

This option will work as follows:

- a. The client pays the fees of ₦5,000,000 to a designated account of the local branch of the NBA and provides the legal practitioner with evidence of payment showing the legal practitioner as the ultimate beneficiary of the amount.
- b. The legal practitioner takes the deed or other legal documentation, the signed terms of engagement and the evidence of payment to the local branch of the NBA.
- c. The branch verifies:
  - i. The individual submitting the agreement is a duly qualified legal practitioner by confirming his/her Supreme Court enrolment number. Note: the legal practitioner need not be practising law in that branch. Therefore, a legal practitioner from one state would be permitted to file agreements in the state where the land is located in any part of the country.
  - ii. The legal practitioner has signed terms of engagement with the client, setting out the fees to be paid by the client for the legal services.
  - iii. The amount paid to the branch accurately reflects the professional fees to be charged by a correct application of the scale.
- d. The branch deducts the sum of ₦250,000 and transfers the balance of the fees to the legal practitioner. For avoidance of doubt, it is the branch of the NBA where the land is located that is entitled to the funds as opposed to the branch where the legal practitioner runs his/her practice.
- e. The branch affixes the stamp on the document.
- f. The legal practitioner continues with the document for consent and registration.

Where a legal practitioner is only involved in reviewing draft agreements (e.g. a legal practitioner representing a lessee where the legal documentation is prepared by the lessor's legal practitioner), the client will make the payment to the local branch of the NBA and provide evidence of payment to his/her legal practitioner. The legal practitioner will provide the signed

terms of engagement and evidence of payment to the legal practitioner presenting the documents for stamping by the branch. The Branch will need to see documentation and payment from both sets of legal practitioners before affixing its stamp on the document.

### **Strengths of Option 2:**

- a. Significantly more difficult to evade: The key strength of Option 2 is that it is significantly more difficult to evade. Since the fees are paid to the local branch of the NBA, the NBA can ensure that the correct fees have been paid by the client. The client can therefore not agree to pay a lower fee but absorb the administrative fee of the branch. Similarly, there will be a strong disincentive to understate the value of the property in the deed, as this is the amount that will be stamped as received by the vendor.

### **Limitations of Option 2:**

- a. Complexity of administration: Unlike Option 1, Option 2 is more complex to administer, and will rely heavily on the institutional capability of the local branches of the NBA. This could potentially lead to delays and administrative challenges, which can affect the effectiveness and credibility of the system. Local branches considering this option will therefore be encouraged to strongly consider technological solutions to reduce reliance on manual processes in the vetting procedure.
- b. The fact that fees are paid to the local branch of the NBA rather than directly to the legal practitioner may raise concerns amongst legal practitioners regarding delays. These concerns can be mitigated by the quick and effective administrative processes.

### **3. ENFORCEMENT BEFORE THE ADOPTION OF THE SCALE BY THE LPRC**

How can a scale be enforced prior to its adoption by the LPRC? It must be noted that neither the Committee nor the Association has the power to compel the use of a new scale of charges for the Association. This power is vested in the LPRC by section 15 of the LPA. However, under section 15(4) of the LPA, the President of the NBA has an effective veto on scales of charges issued by the LPRC.<sup>26</sup>

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<sup>26</sup> Section 15(4) of the LPA provides that the LPRC will serve a copy of any proposed order it intends to make on the President of the NBA and if the President of the NBA within 20 days signifies that the order is to be annulled, the order **shall** cease to have effect and be deemed never to have had effect.

Pending the adoption of the New Scale by the LPRC, the NBA can therefore recommend it for use as a suggested guide in determining their fees.<sup>27</sup> Given that the New Scale does not conflict with the existing Scale, it does not appear that there are strong legal reasons why the NBA cannot make this recommendation. Local branches of the NBA can also work with the Chief Judges of their respective states to commence the actual taxing/assessment of legal fees and cost.

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<sup>27</sup> Please note the discussions in Part 5 of this Report (“Competition Law Considerations”). It seems plausible that the NBA itself (as opposed to the LPDC or LPRC) may be an “undertaking” for the purpose of the FCCPA and therefore be guilty of price-fixing if it directly tries to influence the adoption of the scale.

## PART 5 – COMPETITION LAW CONSIDERATIONS

Competition law regimes all over the world prohibit agreements seeking to fix the price of goods and/or services. This is primarily done on the basis that price-fixing agreements are detrimental to consumer welfare. In theory, economic agents ought to compete freely both based on price and their service offerings. An agreement to fix prices *ex ante* is detrimental to consumer welfare as it reduces competition in the market, and forces consumers to pay prices that may be disconnected from the true market value of the goods and/or services.

Nigeria is no different in its regulation of price-fixing as a component of its competition (anti-trust) regime. The Federal Competition and Consumer Protection Act 2019 (“FCCPA”) prohibits an undertaking<sup>28</sup> from directly or indirectly attempting to influence or conspire to influence upwards or discourage the reduction of the price at which another undertaking supplies, offers to supply or advertises any goods or services.<sup>29</sup> Price-fixing agreements are typically considered to be cartel conduct in competition law and are seldom ever justified as a matter of competition policy.

The question which necessarily arises is whether a scale of charges for legal practitioners will be considered as anti-competitive under Nigeria’s competition law regime. The Committee has considered this issue and is of the opinion that it will not for at least three reasons.

First, it is crucial to recall the economic agents subject to the provisions of the FCCPA. The scale of charges is not promulgated by any legal practitioner, law firm or by the NBA itself. On the other hand, the scale of charges is promulgated by the LPRC, a statutory body created under an Act of the National Assembly, and acting under powers donated by the LPA. The LPRC is therefore not an undertaking or an association of undertakings for the purpose of the

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<sup>28</sup> An undertaking is expansively defined to include “any person involved in the production of, or the trade in goods, or the provision of services”. Since legal practitioners and law firms are engaged in the provision of legal services, they will be caught by the definition of undertakings, and therefore be subject to the provisions of the FCCPA.

<sup>29</sup> FCCPA, ss 59(1) and (2); 107(1)

FCCPA as it is not involved in the provision of services. Consequently, by issuing a new scale of charges, the LPRC does not fall within the prohibition imposed on undertakings from influencing or attempting to influence the price of services upwards.

Second, enforcement of the scale will not reside in ‘undertakings’ under the FCCPA. To the contrary, the power to enforce the scale resides in the LPDC, which is also not an undertaking for the purpose of the FCCPA as it was established by the LPA, and is not engaged in the provision of services. Consequently, by performing its statutory duties of holding legal practitioners accountable to obedience to the scale, the LPDC will also not be engaged in influencing or conspiring to influence the price of legal services upwards.

Thirdly, the scale contains protections to enable legal practitioners charge below the amounts set out in the scale in justifiable situations.<sup>30</sup> Consequently, the New Scale protects consumer welfare, by providing flexibility for legal practitioners to charge below the scale when the circumstances require.

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<sup>30</sup> See Rule 6(8) of the New Scale.

## SECTION 2 – REPORT ON RENUMERATION FOR LAWYERS

This Section is divided into the following parts, each addressing relevant issues flowing from the Terms of Reference of the Committee relating to remuneration and the Committee's recommendations:

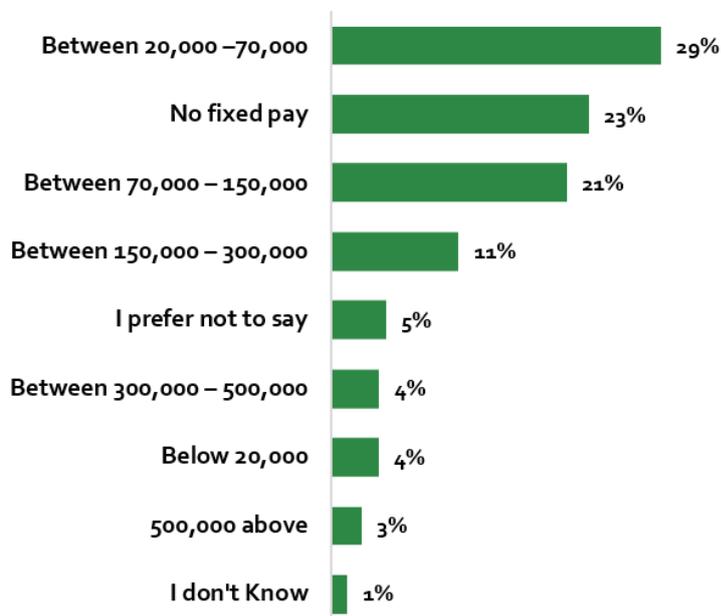
1. The state of remuneration of lawyers in legal practice in Nigeria;
2. Causes and impact of poor remuneration of lawyers in Nigeria;
3. Obligations of employers to employees under Nigerian law (pension, HMO, Group life etc);
4. Practice in other jurisdictions pertaining to regulation of wages of lawyers;
5. Powers of the NBA/General Council of the Bar to determine a minimum wage for lawyers practising in Nigeria;
6. Recommendations:
  - Establishing a minimum living wage and conditions for employment for lawyers in Nigeria.
7. Enforcement of a minimum living wage and conditions for employment for lawyers in Nigeria;
8. Immediate steps that can be taken by the NBA to adopt the minimum wage and enforce it before the amendment of the LPA; and
9. Alternative remuneration structures for employers who may be unable to meet the recommended minimum wage and conditions for employment.

### **1. THE STATE OF REMUNERATION OF LAWYERS IN LEGAL PRACTICE IN NIGERIA.**

We have reproduced below the relevant portions of the Survey Report describing the current state of play with regards to remuneration of lawyers in Nigeria. As earlier stated, the Survey Report is appended as *Appendix 3* to this Report.

## A. MONTHLY REMUNERATION RANGES

What is the range of your monthly remuneration (including reimbursable expenses and bonuses)?



As seen in the figures above, 4% of lawyers in Nigeria currently earn below N20,000, 29% of lawyers earn between N20,000 and N70,000 while 21% earn between N70,000 – N150,000. In essence, 33% of lawyers in Nigeria earn below N70,000 and only 18% earn above N150,000. 23% of lawyers have no fixed pay, meaning that their salaries vary per time. Further analysis reveals that N20,000 – N70,000 monthly remuneration is predominant among young lawyers (0 – 4 Year Post Call (“YPC”)), while the ‘No fixed pay’ response was more from lawyers within 10 - 24 YPC and self-employed lawyers.

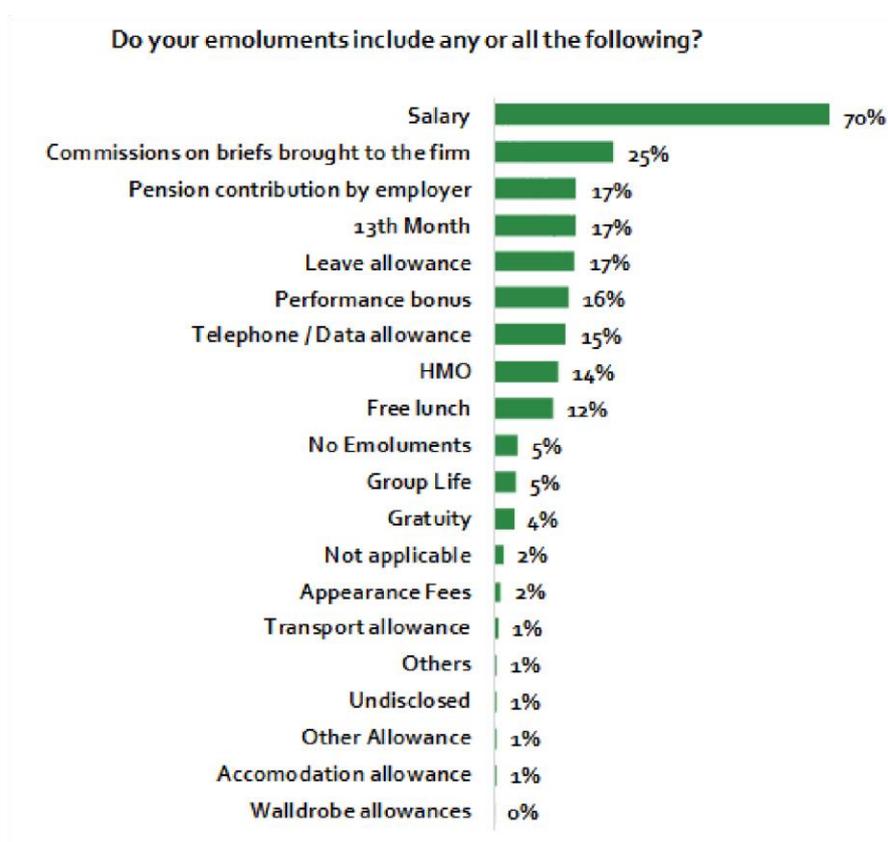
Responses by Regions (top 4 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
20,000 – 70,000	26	<b>31</b>	<b>30</b>	29	<b>38</b>	22
No Fixed Pay	13	23	<b>31</b>	<b>34</b>	<b>26</b>	<b>31</b>
70,000 – 150,000	<b>27</b>	21	11	14	16	21
150,000 – 300,000	<b>15</b>	8	9	7	6	6

As shown in the table above, the Committee discovered that the proportion of lawyers with a remuneration range of N20,000 – N70,000 is slightly higher in the North-Central, South-South, and North-West regions of the country. ‘No fixed pay’ was also notable in the South-South, South-East, North-West & North-East regions. The N70,000 – N150,000 and N150,000 – N300,000 salary ranges were more prevalent in the South-West compared to other regions, with Lagos State accounting for most of the high numbers.

Please see a further breakdown of the data by the major cities below.

Responses from 2 major states in each region (Top 4 Boxes)	SW		NC		SS		SE		NW		NE	
	Lagos	Ekiti	FCT	Kwara	Rivers	Edo	Anambra	Enugu	Kano	Sokoto	Bauchi	Taraba
	%	%	%	%	%	%	%	%	%	%	%	%
20,000 – 70,000	19	<b>31</b>	33	<b>35</b>	27	<b>47</b>	<b>34</b>	<b>35</b>	34	29	21	<b>24</b>
No Fixed Pay	11	<b>31</b>	17	<b>24</b>	<b>34</b>	13	31	26	<b>34</b>	<b>43</b>	25	<b>32</b>
70,000 – 150,000	<b>33</b>	9	<b>25</b>	17	11	<b>14</b>	13	<b>23</b>	9	7	14	<b>28</b>
150,000 – 300,000	<b>19</b>	3	<b>10</b>	5	9	<b>10</b>	7	6	7	<b>14</b>	7	0

## B. EMOLUMENTS OFFERED BY FIRMS



From the table above, it can be deduced that only 14% of lawyers in Nigeria have access to health insurance from their employers, only 17% of employers pay the required employer's contribution to their employees' pension and only 18% of employers provide any other form of compensation to their employee lawyers, other than salaries.

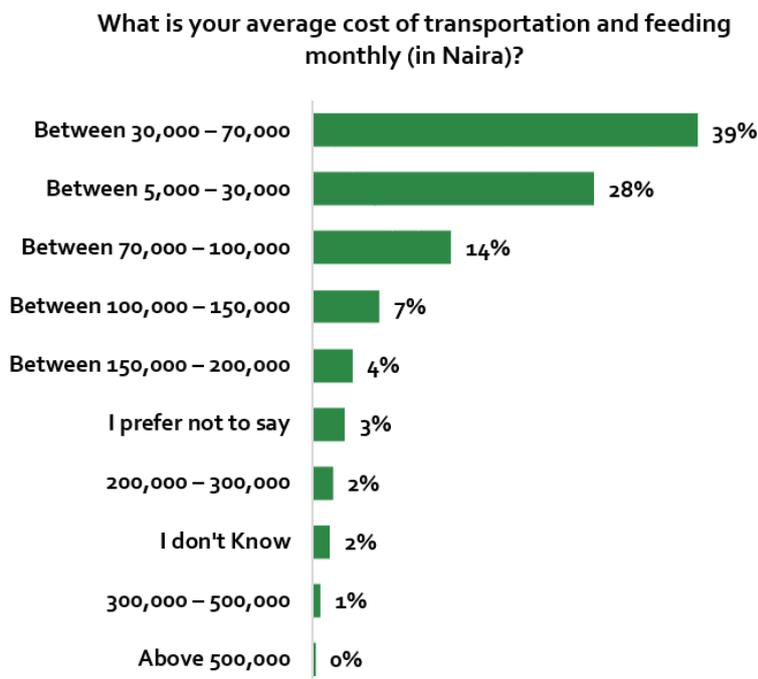
## C. COST OF LIVING

To help determine if the current remuneration of lawyers constituted a living wage, the survey examined the average monthly cost incurred by lawyers across the six geo-political zones in providing themselves basic human needs. The survey report also included the results of a desktop research on the average monthly cost of living across the said geo-political zones

which was non-specific to lawyers. The summary of the findings of the survey can be found in the Report. However, we have analysed below, some of the critical data procured from the survey.

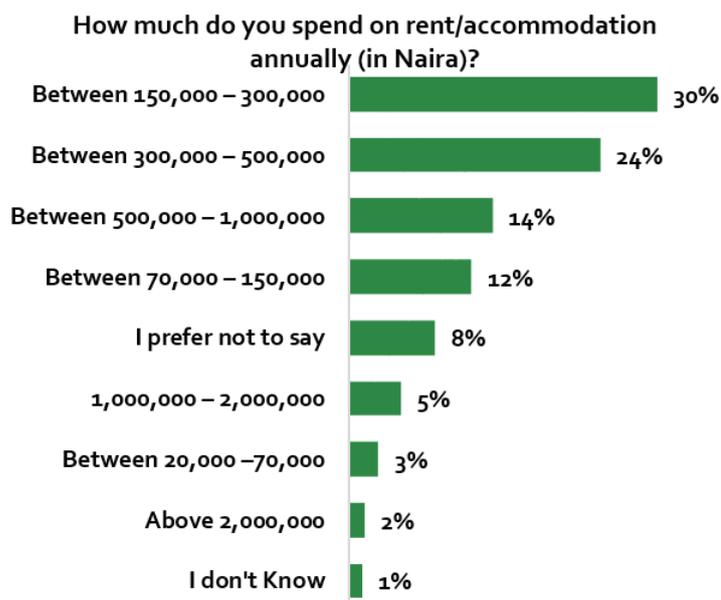
- i. **Feeding and transportation:** Feeding and transportation are part of the basic survival needs of every worker and a key determiner as to whether the remuneration paid to an employee constitutes a living wage. Where the prices of food and transportation increase in a location, the ability of the remuneration of the workers in that location to provide themselves the basic necessities of life drops, as their purchasing power is impacted. The Nigerian economy continues to suffer inflation, with workers experiencing increasing cost of living without a corresponding increase in remuneration.

The Report provided the following data on the average monthly cost of accommodation and feeding of the Nigerian lawyer.



From the study, it was established that a large majority of lawyers (67%), spend an aggregate of N5,000 - N70,000 monthly on feeding and transportation, broken down as follows; N5,000 - N30,000 (28%) and N30,000 - N70,000 (39%).

- ii. **Accommodation:** A breakdown of the accommodation spend of lawyers in Nigeria is as reflected below.



The Report revealed that 30% of lawyers, the highest grouping, spend between N150,000 - N300,000 annually on rent/accommodation, while 24% of lawyers spend between N300,000 - N500,000. Effectively, 54% of lawyers in Nigeria spend between N12,500 - N41,700 monthly on accommodation.

Responses by Yoc (top 4 Boxes)	Ratings			
	0-4	5-9	10-24	25 and above
	%	%	%	%
Between 150,000 – 300,000	<b>33</b>	<b>36</b>	23	9
Between 300,000 – 500,000	21	25	<b>27</b>	<b>20</b>
Between 500,000 – 1,000,000	7	12	21	<b>20</b>
Between 70,000 – 150,000	20	13	5	6

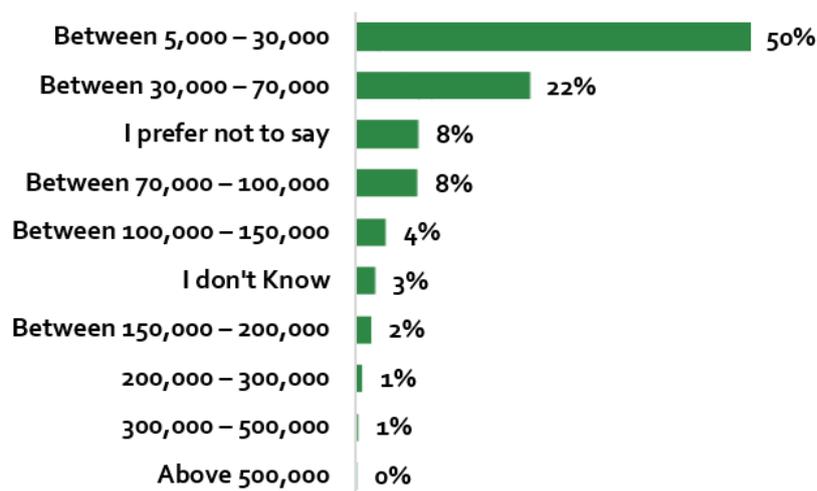
Further analysis on a YPC basis shows that most young lawyers (between 0 - 9 YPC) spend between N150,000 – N500,000 on accommodation annually (i.e. N12,500 - N41,700 monthly), while most senior lawyers (between 10 - 24 & 25+ YPC) spend between N300,000 - N1,000,000 annually in this regard.

Responses by Regions (top 4 Boxes)	Ratings					
	NC	NE	NW	SE	SS	SW
	%	%	%	%	%	%
Between 150,000 – 300,000	28	<b>35</b>	<b>38</b>	<b>38</b>	<b>36</b>	24
Between 300,000 – 500,000	22	16	15	<b>29</b>	<b>28</b>	<b>25</b>
Between 500,000 – 1,000,000	15	3	4	8	11	19
Between 20,000 – 70,000	3	8	6	2	2	3

Across the regions, the Report indicated that most lawyers within North-East, North-West, South-East & South-South regions spend between N150,000 - N300,000 on accommodation annually, while most lawyers in South-West spend between N150,000 - N500,000 annually on accommodation.

- iii. **Health Care & Utility Expenses:** The breakdown of healthcare and utility spend amongst lawyers in Nigeria is as presented below.

**How much do you spend on Health care and utilities monthly (in Naira)?**



Utility expenses in this study were explained to the respondents to mean all of the electricity, water, cable, phone/data, waste bills, or any other utility bills required for daily living. From the Report, a majority (50%) of lawyers in Nigeria spend between N5,000 - N30,000 on utilities and healthcare monthly, whereas 22% of lawyers spend between N30,000 - N70,000 monthly.

Responses by Regions (top 4 Boxes)	Ratings					
	NC	NE	NW	SE	SS	SW
	%	%	%	%	%	%
Between 5,000 – 30,000	53	58	57	48	48	49
Between 30,000 – 70,000	21	19	21	22	22	24
Between 70,000 – 100,000	8	3	6	11	8	8
Between 100,000 – 150,000	4	3	3	7	4	4

#### D. CONCLUSION STATEMENT

In summary, 33% of lawyers in Nigeria earn below N70,000 while 23% of lawyers have no fixed payment the majority of whom are lawyers between 10-24 YPC and self-employed lawyers. Despite this, as indicated in the Report, the minimum spend of lawyers in Nigeria on basic living needs is approximately N89,600 while the average cost of living in the different regions for Nigerians across the country ranges from N84,565 to N144,091. In essence, a large number of mostly young lawyers do not earn a living wage.

## 2. CAUSES AND IMPACT OF POOR REMUNERATION OF LAWYERS IN NIGERIA.

The survey conducted by Viisus would appear to confirm the perception held by a large number of lawyers that Nigerian lawyers and especially, young lawyers are poorly remunerated when weighed against the cost of living and are thus not earning remuneration that could be said to be a living or a fair wage. It is an established fact that where employees are not well remunerated, it might lead to a high turnover and/or low input from the affected employees resulting in reduced service delivery.

Employees have to be provided with an environment and employment conditions that will aid them to realize their own potential and the effectiveness of an organization is to a large extent determined by the degree to which it provides an environment and conditions which help its members to achieve their individual objectives. It is obvious that a major problem facing Nigerian Law Firms today is how they remunerate their employees in order to motivate or incentivise them towards high performance. This has created a lot of problems in the management of human resources in diverse Law Firms in Nigeria. Since lawyers as members of the society are not insulated from the larger economy, poor remuneration of lawyers also greatly impacts the purchasing power of the lawyers, thereby exposing them to hardship.

Dr. Reginald Aziza in his article *“Towards Better Remuneration for Nigerian Legal Practitioners: A Market Based Solution”* published on June 22, 2020 identified three broad causes, views which this Committee shares and which are reproduced as follows, *“The first is what we might call a ‘distribution problem’. Here, the problem is that the firm’s revenues are substantially channelled to its Partners or owners. This problem is largely seen in the larger commercial law firms in Nigeria’s commercial centres. “To understand this problem, consider an oversimplified example of Firm A. The firm has an annual revenue of N1 billion. Assume further that the firm has 10 Partners and 50 other lawyers and spends N200 million (20% of revenue) in remuneration and another N300 million in overheads. The balance is shared amongst the Partners as profit (with the possibility of an end of year bonus at the discretion of the Partners). Taking only averages into account, if the firm were to distribute N500 million amongst its 10 Partners, this will lead to a N50 million pay per Partner, against a N4 million pay per associate (of course, the reality is that some Partners will earn more than others and the lowest paid associate will earn substantially less than N4 million)”*. Thus, the firm deploys 50% of revenue to the service of 10 people and 20% to the service of 50 people, and the ratio of average associate to Partner pay in the firm is 1:12.5.

*The second is what we might call a ‘revenue’ or ‘scale’ problem. Here, the problem is that the firm is simply not making enough revenue to pay better. This is typically a problem of mid-sized firms. To understand this problem, consider the case of Firm B. Assume that Firm B is half the size and earns half the revenue of Firm A. Thus, Firm B has 5 Partners and 25 lawyers and an annual revenue of N500 million. If firm B has the same cost structure and pays in the same ratio as Firm A, the average associate in Firm B will earn N2 million per annum, with the lowest paid associate potentially earning substantially less. In this situation, Firm B may resist a request for higher wages on the basis that it is deploying a commensurate proportion of its revenues to remuneration as a larger firm, and to pay additional remuneration, it needs to achieve more scale or earn more revenues.*

*The third is what, for want of a better description, we may simply call an ‘inhumanity problem’. Here, the problem is typically one of culture or perception of the leadership of the firm and*

*can typically be found in small firms and sole practitionership models. The inhumanity problem is an extreme version of the distribution problem and will exist where there is an enormous gap between the earnings of the firm's owner and the average associate pay. To visualise this, consider Firm C. Assume Firm C makes the same revenues as Firm A, but has only 2 Partners, spends 10% of its revenues in remuneration and another 10% on overheads. The earning per Partner in this situation will be N400 million and the average earning per associate will be N2 million, leading to an average pay ratio of 1:200."*

### **3. OBLIGATIONS OF EMPLOYERS TO EMPLOYEES UNDER NIGERIAN LAW (PENSION, HMO, GROUP LIFE ETC.).**

The primary legislation that regulates the employment of persons in Nigeria is the Labour Act. Unfortunately, this Act only applies to unskilled labourers and non-professionals. There are, however, other laws that provide certain obligations which employers must fulfil with respect to their employees.<sup>31</sup> These acts and the obligations they impose are detailed below and should apply to law firms and employers of lawyers in accordance with the provisions of the respective laws. However, as data from the Survey Results have shown and as depicted above in this Report, a large number of law firms do not presently comply with several of these laws.

#### **3.1. The Pension Reform Act 2014 which regulates the contributory pension scheme;**

The Pension Reform Act 2014 applies to all employees in the public and private sectors other than judges. The provisions of the Act mandatorily apply to the public sector and private organisations which have at least 15 employees. However, organisations with less than 15 employees are still entitled to participate in the pension scheme, though it is not mandatory for them.<sup>32</sup>

The Act establishes a contributory pension scheme for the payment of retirement benefits for employees. The monthly contribution rate is 10% of the employee's monthly emoluments to be paid by the employer and 8% of the employee's monthly emoluments to be paid by the employee. These rates can be revised upwards by the agreement of the employer and employee.

In addition, a Group Life Insurance Policy must be maintained in favour of the employee for a minimum of thrice the employees' total annual emoluments. Where the employer fails, refuses, or omits to make payment for premiums as and when due, the employer shall make arrangements to effect payment of claims arising from the death of any staff in its employment during such period.

#### **3.2. The Personal Income Tax Act (Chapter P8 LFN 2004, as amended by the Personal Income Tax (Amendment) Act 2011, Finance Act 2019 and Finance Act 2020)**

This Act regulates the taxation of employees' remuneration. The Personal Income Tax Act, as amended, obliges the employer to ensure monthly deduction and remittance of employees' taxes, called pay as you earn tax (PAYE) to the relevant collecting authority.<sup>33</sup>

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<sup>31</sup> <https://www.lexology.com/library/detail.aspx?g=a129b4ab-faaf-412c-995e-4d3502fceb54>

<sup>32</sup> See Section 2 of the Pension Reform Act.

<sup>33</sup> <https://firs.gov.ng/personal-income-tax-pit/>

### 3.3. The Employees' Compensation Act 2010

This regulates the payment of compensation to employees who suffer occupational diseases or sustain injuries arising from accidents in the workplace or during employment.<sup>34</sup> Under **Section 56 of the Act**, there is established the Employees' Compensation Fund ("the Fund") into which every employer is mandated to make a minimum monthly contribution of 1.0% of the total monthly payroll into the said compensation Fund. The employer is also to bear this responsibility alone, he is disallowed from either directly or indirectly, deducting from the remuneration of an employee any part of a sum for the purpose of contributing/payment into the Fund.

### 3.4. The Industrial Training Fund Act (Chapter I9 LFN 2004, as amended) ("ITF Act").

This Act establishes the Industrial Training Fund and its purpose is to promote the acquisition of relevant skills in industry or commerce to generate a pool of indigenous manpower to satisfy the needs of the economy.<sup>35</sup> It requires employers to contribute 1% of their annual payroll to the Industrial Training Fund created by the Act.<sup>36</sup> The Act applies to every employer in Nigeria which employs more than five persons, or which employs fewer than five persons but has an annual turnover of up to N50 million.

The ITF Act further imposes a duty on employers to provide training for their indigenous staff to improve their job-related skills. It also provides that the Fund's Council may make a refund of up to 50% of the amount paid by an employer where it is satisfied that its training programme is adequate.<sup>37</sup>

### 3.5. The National Health Insurance Scheme Act (Chapter N42 LFN 2004) ("NHIS Act").

This NHIS Act established the national health insurance scheme and applies to employers which have a minimum of 10 employees. It directs that employers register themselves and their employees under the scheme, thereafter, the employer and every person in his employment shall pay contributions, at such rate and in such manner as may be determined, from time to time, by the Council. Under the scheme, a negotiated amount for the contribution may be taken from the employees' wages. However, this amount should in no way include what the employer is liable to pay.<sup>38</sup>

### 3.6. The National Housing Fund Act (Chapter LFN 2004) ("NHF Act")

The NHF Act establishes the National Housing Fund. Section 9 of the NHF Act mandates every employer who has in its employment an employee earning a basic salary of N3,000 and above

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<sup>34</sup> <https://www.lexology.com/library/detail.aspx?g=a129b4ab-faaf-412c-995e-4d3502fceb54>

<sup>35</sup> <https://www.lexology.com/library/detail.aspx?g=ae85093f-7355-4ec0-a1b4-33f7e05bb8ae>

<sup>36</sup> See Section 6 of the Act.

<sup>37</sup> <https://www.lexology.com/library/detail.aspx?g=ae85093f-7355-4ec0-a1b4-33f7e05bb8ae>, See Section 7 of the Act.

<sup>38</sup> See Section 16 of the National Health Insurance Scheme Act.

per annum to deduct 2.5 per cent of the monthly salary of that employee as the employee's contribution to the National Housing Fund.

### **3.7. Other statutory entitlements are as follows:**

#### **i. Freedom from discrimination**

- a. **Section 42 of the Constitution of the Federal Republic of Nigeria 1999 (as amended)** explicitly prohibits discrimination on the basis of an individual's community, ethnic group, sex or place of origin.
- b. The Lagos State Special Peoples Law 2010 prohibits discrimination on the basis of an employee's disability. The law requires employers which employ up to 100 persons to: reserve a minimum of 1% of their workforce for qualified persons living with disability; reserve parking spaces for employees with disabilities in their parking lots; and assign special seats to persons with disabilities in employers' vehicles, vessels, trains or aircrafts.
- c. The HIV and AIDS (Anti-discrimination) Act 2014 prohibits employers from discriminating directly or indirectly against employees on the basis of their HIV status or HIV-related illness.

#### **ii. Paternity rights**

The Labour Act does not contain provisions on paternity leave. However, in Lagos State, civil servants are entitled to ten days' paternity leave within the first two months from the birth of the baby. The Federal Executive Council recently approved a 14-day paternity leave for men in the federal civil service. The leave periods mentioned above would only be applicable to lawyers employed as civil servants by the Lagos State Government and the Federal Government respectively.

## **4. PRACTICE IN OTHER JURISDICTIONS PERTAINING TO THE REGULATION OF WAGES OF LAWYERS.**

### **A. The United Kingdom**

The Law Society of England and Wales, a professional association that represents and governs solicitors in England and Wales, recently recommended that law firms should pay their trainee lawyers a minimum of £22,794 for firms located in London and £20,217 for firms located outside London. These rates are merely recommendations, and the law firms are at liberty to apply or reject the recommended rates.

The Solicitors Regulation Authority of England and Wales (SRA) had in the past stipulated mandatory minimum wage for lawyers in the UK. However, on 1<sup>st</sup> August 2014, the SRA replaced the former regulatory minimum salary with a requirement that firms pay trainees at least the national hourly minimum wage. Therefore, there are no provisions for mandatory minimum wage for lawyers in England and Wales.

## B. Other Jurisdictions

From our review of over fifteen (15) countries (US, UK, Germany, Netherlands, Switzerland, New Zealand, Singapore, Ghana, Kenya, South Africa, Australia, Canada, India, Brazil, and Tanzania), only the United Kingdom has rules recommending a minimum wage for lawyers.

Although Canada has a regulated remuneration structure for lawyers in public service, secured under a collective bargaining agreement between the Treasury Board and Association of Justice Counsel, there is no regulation for remuneration of lawyers in private practice.

While the Committee in the course of its work did not find any other jurisdiction with a mandatory minimum wage for lawyers, however, like the Nigerian situation, there is a growing discontent in countries such as Ghana, New Zealand, the UK, etc on the poor wages and working condition of lawyers. These agitations have led to several recommendations for reforms targeted at improving the welfare of lawyers, such as: fixing a minimum remuneration for lawyers; implementing overtime payments; improving non-cash benefits; etc. While it appears a good number of countries have found a way to regulate the charge of legal fees in their jurisdictions, the issue of remuneration of lawyers has not received significant regulatory attention globally.

## 5. POWERS OF THE NBA/GENERAL COUNCIL OF THE BAR TO DETERMINE A MINIMUM WAGE FOR LAWYERS PRACTICING IN NIGERIA.

While the NBA is not expressly empowered under extant law to determine a salary scale for legal practitioners, as a self-regulating professional organization made up of all practicing Lawyers called to the Nigerian Bar, it can make rules binding on its members as long as they are passed through the appropriate procedure and do not conflict with the rights of its members under the Nigerian constitution or with the provisions of the LPA or any extant legislation.

Sectoral minimum wage regimes have existed for a while and can be found in South Africa and various countries in Europe, like Denmark, Finland, Norway, Sweden and even Nigeria. These sectoral minimum wage regimes can be set through a collective agreement. Examples of standard wage agreements includes the Transport Work Agreement between the Swedish Road Transport Employers' Association and the Swedish Transport Workers' Union, and the Swedish Aviation Industry Group Pilots' agreement with the Swedish Airline Pilots' Association, etc. These sectors are allowed to set a higher minimum wage for their workers than the national minimum wage but cannot go lower than it.

The **Rules of Professional Conduct for Legal Practitioners (2007)**, and the **LPA**; in Rule 48 and Section 16 respectively, explain as a general rule that, a lawyer is entitled to be paid adequate remuneration for his service to the client, insofar as the fee is not illegal or excessive, and if denied such remuneration or fee in its adequacy, an action for its recovery can be instituted in a court of competent jurisdiction. It is noteworthy, that the above stance suffices for all lawyers, whether in-house lawyers or external.

While the above provisions regulate how lawyers charge and earn fees for their services provided to clients, there is no provision in the existing laws regulating the remuneration of

lawyers in salaried employment; whether in law firms, corporate organisations or in government.

This implies that the NBA and other regulatory organs of the legal profession created under the LPA are not vested with any powers under the LPA to determine or regulate the remuneration of or a minimum wage for lawyers. To achieve this, as we will discuss below, the NBA must take steps to amend the rules of professional conduct and ultimately the LPA to make provision for such rules.

## **6. RECOMMENDATIONS**

### **6.1 All Lawyers Employed to have Written Contracts of Employment**

We are of the opinion that the first step towards ensuring that an employer complies with all his obligations under statute relating to the emoluments and other benefits of an employee is to make it a compulsory requirement that every employer of a lawyer must give the lawyer a written letter of employment (and policy handbook where the firm has one) expressly specifying the terms and conditions of his employment including:

- monthly and annual salary;
- pension contribution of employer and employee (where the Firm has 15 lawyers or more or if the Firm agrees to pay pension where it has less than 15 employees);
- HMO to which the Employee is to be registered with (where the Firm is required to register its employees with an HMO);
- any other benefits due to the employee in cash or in kind.

The Survey indicated that a large number of lawyers do not have an employment contract or do not have an ascertained monthly income. The employment letter will serve the following purposes:

- i. Ensure certainty of remuneration and other benefits of service;
- ii. Bind the employers to the terms of the contracts especially as they relate to remuneration;
- iii. Serve as evidence of an infraction if the remuneration stated in the contract falls below the standard minimum applicable to the employee.

### **6.2 Compulsory Participation in NBA Structured Health Insurance for Certain Categories of Firms/Lawyers:**

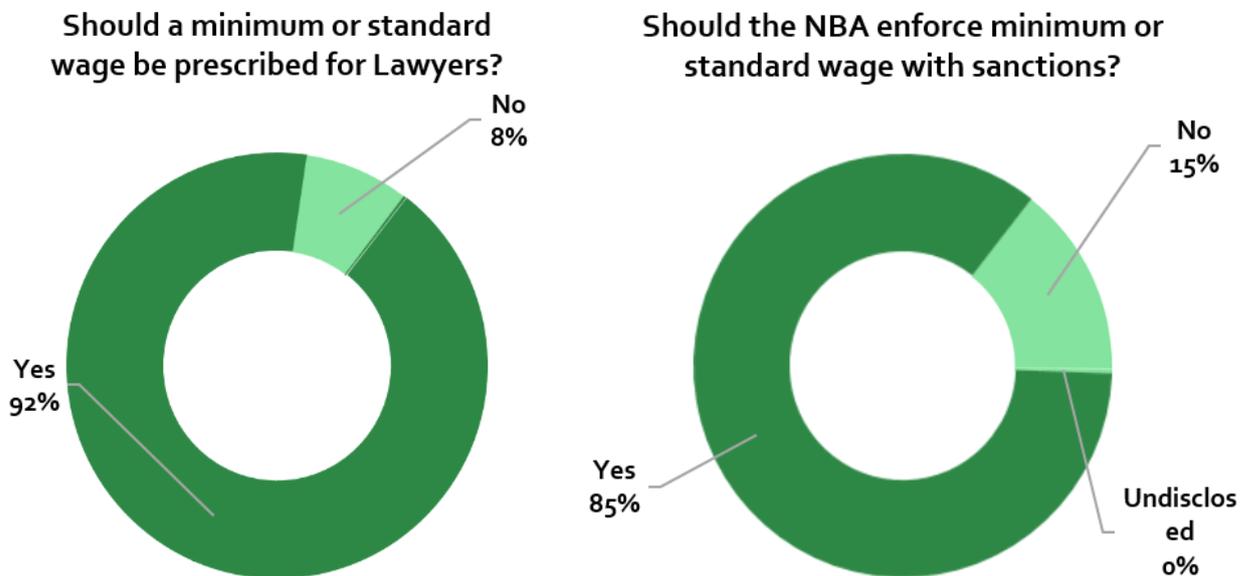
The NBA should make it compulsory for Law Firms and employers of lawyers who do not have the minimum number of employees required to register with an HMO, to register their employees under the HMO scheme presently being put together by the NBA at a premium of N15,000 per member and to pay the premium on behalf of each of their employees.

### 6.3. Introduction of Regulation on Minimum Standard Wage

#### a. Whether we should have a minimum remuneration for lawyers in Nigeria

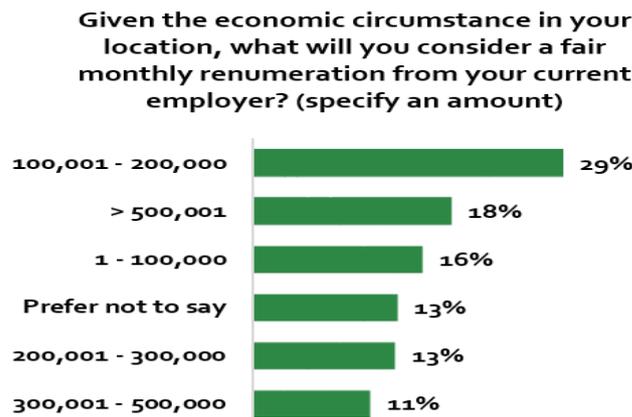
From the analysis done in Part 1 of this Section of the Report, it is easily discernible that the average monthly cost of living, inclusive of accommodation, feeding, and transportation, healthcare and utility exceeds the average monthly wages of the majority of lawyers in Nigeria. In order to correct this anomaly and ensure that lawyers earn a living wage in Nigeria, the Committee had sought the opinion of the lawyers through the survey on how best to plug this widening gap. A majority of lawyers were of the opinion that this anomaly could be best cured by the fixing of standard minimum remuneration for lawyers in Nigeria.

Please see the result of the survey reflected in the pie chart below.



From the above, 92% of lawyers who participated in the survey agreed that the NBA should fix a standard minimum wage for Lawyers. In addition, 85% of lawyers are of the opinion that the minimum wage should be enforced with sanctions.

In the survey, the lawyers were also asked to suggest fair monthly remuneration from their employers and the following result was generated.



71% of lawyers mentioned that given the current economic situation, a fair monthly remuneration from their employers would be between N100,000 to N500,000. Except for some slight variation in ranges, this was also the situation across regions, as shown in the table below:

<b>Responses by Yoc</b> ( top 5 Boxes)	<b>0-4</b>	<b>10-24</b>	<b>25 and above</b>	<b>5-9</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
> 500,001	17	19	28	18
1 - 100,000	24	10	11	16
100,001 - 200,000	36	20	17	33
200,001 - 300,000	11	14	5	15
300,001 - 500,000	5	18	14	8

The responses were further analysed based on the YPC as reflected in the table below.

<b>Responses by Regions</b> ( top 5 Boxes)	<b>Ratings</b>					
	<b>NC</b>	<b>NE</b>	<b>NW</b>	<b>SE</b>	<b>SS</b>	<b>SW</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
> 500,001	<b>18</b>	<b>18</b>	<b>16</b>	<b>19</b>	<b>21</b>	<b>18</b>
1 - 100,000	<b>18</b>	<b>24</b>	<b>28</b>	<b>15</b>	<b>18</b>	<b>11</b>
100,001 - 200,000	<b>31</b>	<b>30</b>	<b>31</b>	<b>29</b>	<b>28</b>	<b>27</b>
200,001 - 300,000	<b>13</b>	<b>11</b>	<b>9</b>	<b>13</b>	<b>10</b>	<b>16</b>
300,001 - 500,000	<b>8</b>	<b>3</b>	<b>5</b>	<b>10</b>	<b>9</b>	<b>15</b>

A breakdown of the responses by region is as follows:

<b>Responses from 2 major states in each region</b> (Top 5 Boxes)	<b>SW</b>		<b>NC</b>		<b>SS</b>		<b>SE</b>		<b>NW</b>		<b>NE</b>	
	Lagos	Ekiti	FCT	Kwara	Rivers	Edo	Anambra	Enugu	Kano	Sokoto	Bauchi	Taraba
	%	%	%	%	%	%	%	%	%	%	%	%
100,000 – 200,000	29	13	32	30	28	29	26	42	28	38	21	20
300,001 – 500,000	19	5	10	2	11	9	8	8	7	7	0	4
200,001 – 300,000	18	5	16	6	13	4	14	15	6	7	14	8
> 500,001	16	29	18	15	20	21	21	16	17	13	25	24
1 – 100,000	4	24	9	40	11	17	17	10	31	27	11	36

## **b. Recommended Minimum Remuneration**

### **b.1 Considerations in Arriving on a 2-pronged Minimum-Remuneration Structure:**

In arriving at the proposed minimum remuneration, the Committee predominantly considered, from the data gathered from the Survey Result, the basic cost of living of lawyers in the states/regions and their current wages. Additionally, the Committee relied on the aggregate cost of living generally, and not restricted to lawyers per region as provided from a desktop research undertaken by Viisau, economic viability of the States based on the gross domestic product and internally generated revenue. The Committee was also mindful of the reasons

alluded for the poor remuneration of lawyers which include the attitude of some employers on one hand and the inability of some others to pay better and the need to balance these factors in coming up with its recommendations. It is for these considerations that the Committee is recommending the introduction and enforcement of a 2-pronged minimum wage structure comprising what it calls

- a. **Standard Minimum Wage** - which is predominantly guided by the empirical data on the cost of living; and
- b. an **Alternative Minimum Wage Structure** that allows for the payment of a lesser remuneration than provided under the Standard Minimum Wage on the condition that the alternative remuneration structure(s) is integrated into the employee's contract of employment to allow the employee augment his income.

The Alternative Minimum Wage Structure which is designed for employers who genuinely are not in a financial position to pay the Standard Minimum Wage shall have a remuneration threshold below which no employer can go, coupled with alternative remuneration structure(s) details of which are provided further below in this Report, that is to be agreed between the employer and employee.

### Analysis on monthly cost of living

Please find below, three excerpts of the Survey Result showing the monthly cost of living across the six geo-political zones as gathered from the desktop research done by Viisau, the aggregate cost of living of lawyers across the said geo-political zones and the average cost of living of lawyers in the three core commercial centres of Nigeria (Lagos, Abuja and Port-Harcourt) respectively, as gathered from the Survey of lawyers, which guided the minimum wage recommended by the Committee

A cursory look at the data from the desktop research presented in the table immediately below, indicates that the cost of living of Nigerians across the Regions ranges from N84,565 to N144,091 with the North-East having the lowest and the North Central, the highest.

**COST OF LIVING ACROSS GEO-POLITICAL REGIONS**  
(Data from desk research)  
**Monthly**

Cost Elements <i>(Source NBS )</i>	Regions					
	SS	SW	SE	NC	NW	NE
Feeding & Transportation	53,032	54,628	41,776	67,200	43,792	36,232
Accommodation	16,667	25,000	25,000	39,431	19,000	8,333
Health Care & Utility Expenses	35,000	35,000	27,266	37,400	26,000	<b>40,000</b>
<b>Total</b>	<b>104, 699</b>	<b>114,628</b>	<b>94,042</b>	<b>144,031</b>	<b>88,792</b>	<b>84,565</b>

**AGGREGATE COST OF LIVING ACROSS GEO-POLITICAL REGIONS  
(DATA FROM SURVEY)  
MONTHLY**

Costs <i>Top 3 boxes</i>	Regions					
	SS	SW	SE	NC	NW	NE
<b>0-4</b>	87,300	92,100	78,600	100,200	74,500	75,100
<b>5-10</b>	102,000	115,400	85,400	120,500	82,000	85,000
<b>11-25</b>	130,100	142,675	92,000	135,000	85,600	88,200
<b>26+</b>	133,000	151,100	100,120	145,000	91,350	90,800

**AGGREGATE COST OF LIVING ACROSS IN LAGOS, ABUJA & PORT HARCOURT  
(DATA FROM SURVEY)  
MONTHLY**

Costs <i>Top 3 boxes</i>	Selected States		
	Lagos	Abuja	Port Harcourt
<b>0-4</b>	98,300	100,300	88,150
<b>5-10</b>	120,130	124,800	105,320
<b>11-25</b>	150,300	140,200	136,200
<b>26+</b>	165,000	150,100	142,700

For lawyers, based on the data provided in the Survey Result, the average cost of living ranges from N87,300 to N151,000. We also observed that the cost of living increases as the years of post-call increase and also varies per geo-political zone. The table above also shows the cost of living in cities the Committee considers to be economically advantaged due to the nature of economic activities that are carried on in such cities.

Please see below, the following comparison of the average costs of living of Nigerians generally, to lawyers 0-4 YPC and 5-10 YPC in the different Regions, some with a more significant difference than others.

Zone	MONTHLY COST OF LIVING		
	Survey Result 0 – 4 YPC	Survey Result 5 – 10 YPC	Desktop Research
South-South	N87,300	N102,000	N104, 699
South-West	N92,100	N115,400	N114, 628
South-East	N78,600	N85,400	N94, 042
North-Central	N100,200	N120,500	N144, 031
North-West	N74,500	N82,000	N88, 792
North-East	N75,100	N85,000	N84, 565

Lagos	N98,300	N120,130	N114, 628
Abuja	N100,300	N124,800	N144, 031

In the course of reviewing the factors mentioned above, the Committee identified three issues and also adapted solutions to cater for these three issues which are provided immediately below.

- i. The first issue is that the economic indices, including the cost of living and lawyers' earnings in states vary and a uniform minimum wage for the entire country would not be practicable. To address this, the Committee decided to group the states into four Bands, in descending order from Band 1 – 4. All the states of the federation and the Federal Capital Territory – Abuja are grouped under the four bands. The states and the Federal Capital Territory are grouped into the various bands based on the data provided in the Survey Result on the current remuneration of lawyers in these geo-political regions and their respective costs of living and economic viability of the state based on available data such as the gross domestic product of the states.
- ii. The second issue observed is that if a single minimum wage is set for lawyers notwithstanding the YPC, an employer may meet the minimum remuneration for fresh or relatively young wigs at the point of employment, but subsequently refuse to promote or increase the salary of deserving young wigs in accordance with economic realities and despite their years of service to the firm. Similarly, an employer may recruit a lawyer that is above eight (8) YPC and still pay the lawyer the standard minimum wage if the minimum wage is not stratified according to YPC. To address this, we have created minimum wages for two categories of lawyers; the first for lawyers between 0 - 4YPC and the second, for lawyers between 5 – 10 YPC in accordance with the data provided in the Survey Result.
- iii. The third issue as already highlighted, is that the average cost of living arrived at from the independent desktop research that was not specific to lawyers, differed slightly (although more so in some geo-political zones than in others) from the average cost of living deduced from the survey on lawyers who participated in the exercise. In deciding the cost of living to guide the minimum wage to recommend, the Committee decided to aggregate into a single band, the states within the zones with comparable costs of living, and applied for each band, the average between the cost of living gleaned from the desktop research and that arrived at from the Survey of lawyers.

The Committee believes that any member of the Bar that is above 10 years at the Bar has the capacity to negotiate better salary and working conditions for himself or establish his own practice and does not require the protection of a regulated minimum salary. This informed the limitation of the minimum wage scale recommended by the Committee as will be seen below, to lawyers who are 10 years post-call or less.

## b.2 Remuneration Bands

For the purposes of determining the minimum wage payable per location in Nigeria, the Committee has created the following four (4) bands comprising the thirty-six (36) states of the Federal Republic of Nigeria as well as Abuja. Each state shall belong to a band and the lawyers

practising within that state are entitled to pay or be paid their remuneration in accordance with the minimum wage recommended for that state. .

	<b>Band 1</b>	<b>Band 2 (South-West and North- Central States)</b>	<b>Band 3 (South- South States)</b>	<b>Band 4 (South-East, North-West, North-East States)</b>
State	Abuja Lagos	Ondo Ogun Oyo Osun Ekiti Kwara Kogi Plateau Benue Niger Nasarawa	Akwa Ibom Rivers Delta Cross River Edo Bayelsa	Abia Enugu Anambra Imo Ebonyi Kaduna Kano Kastina Sokoto Zamfara Kebbi Jigawa Borno Yobe Adamawa Bauchi Taraba Gombe

### b.3. Standard Minimum Remuneration Scale

The following are proposed by the Committee as the standard minimum wage to be paid to every lawyer per Band and category of lawyer:

<b>Category of lawyers</b>	<b>Band 1</b>	<b>Band 2</b>	<b>Band 3</b>	<b>Band 4</b>
0-4 YPC	120,000	112,000	95,000	83,000
5-10 actual work experience (30% increase from the standard wage for lawyers between 0-4 YPC.)	156,000	146,000	124,000	108,000

### b.4. Alternative Minimum Remuneration Structure

The details of the Alternative Remuneration Scale are provided hereunder. Essentially, this structure is intended to cater for employers who cannot afford to pay the Standard Minimum Wage and shall comprise a salary that may be less than the salary payable to a lawyer under the Standard Minimum Wage by not more than 20% in addition to any of the structures

specified in (i) or (ii) below or a combination of both that would provide the employee the flexibility to generate additional income from other sources to sustain his needs. Such alternatives include:

i. Profit-sharing: The employee shall be entitled to share profits on any work he is being engaged to assist with, which shall not be less than 5% of the profit from the fees received from the work. The profit-sharing formula would typically be agreed before the commencement of the service. In addition, the employee shall be entitled to not less than 40% of the profits on any work brought to the employer or firm by the employee.

ii. Part-time work: Alternatively, law firms/lawyers who are unable to pay the Standard Minimum Wage may consider employing lawyers on a part-time basis. This implies that the lawyers being employed will have flexible working hours and will not be required to provide their services every day of the week and for the full working hours of each day. The benefit of this model is that the part-time lawyer will have more time and permission to seek other fee-paying engagements to augment his income. The period that the employee shall be allowed time-off to engage in work other than his employer’s work (including work of the type mentioned in iii and iv below), shall not include weekends or public holidays and shall be computed by calculating how much he would ordinarily be entitled to earn per work day in a month if he was employed on the Standard Minimum Wage (“Standard Wage Per Day”) and applying the number of work days the Alternative Minimum wage will guarantee the Employer, applying the Standard Wage Per Day applicable to the employee under the Alternative Minimum Wage Structure. For this purpose, a Standard Minimum Wage work day shall be a typical 9am to 5pm day with a one-hour break in between and the Employee shall be at liberty to determine the days of the week that he wants to take off from the applicable amount of work-free days/hours he is entitled to in a month. If the Employer requires the services of the Employee beyond the time the Alternative Minimum Wage entitles him to the Employee’s services, he shall pay the Employee overtime allowance calculated at 115% of the Standard Minimum Wage Per Day prorated for the extra time spent by the employee.

iii. Appearance Fees: Lawyers may engage other lawyers to represent them in court on certain matters, in consideration for an appearance fee to be paid to the lawyer once he enters an appearance on behalf of the engaging lawyer.

iv. Pay per work: The lawyer may also engage another lawyer and pay the lawyer per task completed, based on pre-agreed fees for each task. Under the pay per work arrangement, the lawyer being engaged is not under compulsion to provide his services at all times to a particular law firm or lawyer, but rather retains the right to take up tasks based on his convenience and subject to the fees agreed between the parties. For instance, if a lawyer wants a tenancy agreement drafted for him by another lawyer, he can engage that other lawyer to draft the agreement in exchange for a fixed fee of N50,000. Here, the engaged lawyer is an independent service provider and not an employee of the engaging lawyer. Similarly, a lawyer outside Abuja can engage an Abuja based lawyer for any regulatory compliance work on a pre-agreed fee.

The recommended Alternative Minimum Wage Scale which is to be accompanied with an alternative remuneration structure is provided below:

Category of lawyers	Band 1	Band 2	Band 3	Band 4
0-4 YPC	96,000	89,600	76,000	66,400

5-10 actual work experience	124,800	116,800	99,200	86,400

#### **6.4. Establishment of Standing Remuneration Committee by the NBA**

To ensure that the minimum wage reflects economic realities from time to time, the Committee recommends that a standing Remuneration Committee comprising a mixture of lawyers representing the different demographics in the Profession should be established by the NBA to review the Standard Minimum Wage and Alternative Minimum Remuneration Structure every two (2) years and to recommend amendments where necessary guided by the cost of living, inflation per capita income and other relevant economic indices or factors as the Remuneration Committee may decide.

#### **6.5. Engagement of Government by NBA For Special Wage Scale for Lawyers working full time in-house in the Civil Service and private or non-governmental organisations:**

While it is desirable to have a standard minimum wage apply to every lawyer in Nigeria including those employed fulltime as in-house lawyers, it would be an almost impossible task to have the National Assembly pass legislation which seeks to apply a separate minimum wage scale for a specific group of civil servants as determined by their professional body considering the industrial disharmony it might lead to. Such a minimum wage scale would be distinct from the wages determined from time to time by the National Salaries, Incomes & Wages Commission (“**NSIWC**”) for the various arms of the civil service in accordance with the extant laws, regulations and policies. It is unlikely, considering the various vocations and professional backgrounds of members of the National Assembly and the executive that they will support such a legislation and this could affect all the other amendments to the LPA proposed in this Report, especially the review in the scale of charges. A similar challenge in getting the buy-in of the legislature to a minimum wage for lawyers that would also apply to in-house lawyers in private and non-governmental organisations will likely be faced as the lawyers remuneration would be deemed to not only be determined generally by what is applicable in the industry they operate in such as the energy, banking, telecoms industries etc, but also by the contract that they freely entered into with their employers.

Having considered this challenge, the Committee carried out research to see if there has been anything similar in our jurisdiction and the strategy applied in achieving it and discovered as a precedent, a sectoral regulation on remuneration in the civil service, specifically, the salary scale of medical doctors which was negotiated by the Nigerian Medical Association with the Federal Government of Nigeria in September 2009. In the case in point, following several years of negotiations between the Nigerian Medical Association and the Federal Government, the Consolidated Medical Salary Scale (CONMESS) Circular SWC/S/04/S.410/220, was released by the National Salaries Incomes and Wages Commission, which took effect on the 1st of January 2010.

Under the CONMESS the payment of salary for doctors in Government employment is Ratio 1 to 1.5 to 3, that is, where the highest-paid nurse earns N100,000.00 (One Hundred Thousand Naira), the pharmacist will earn N150,000.00 (One Hundred and Fifty Thousand Naira), and

the House Officer (most junior doctor) must earn N300,000.00 (Three Hundred Thousand Naira).

Like the NBA, the NMA does not legislate nor regulate the salary of medical practitioners in Nigeria. What they simply do is, serve as a pressure group to ensure medical practitioners in Nigeria are well remunerated like their counterparts in other parts of the world.

In the light of the aforementioned, a cue can be taken from the CONMESS of the Medical Profession by the NBA to push for a Consolidated Salary Scale for Lawyers in Government similar to what applies to Doctors in Government's employment.

## **6.6 ENFORCEMENT OF A MINIMUM LIVING WAGE AND CONDITIONS FOR EMPLOYMENT FOR LAWYERS IN NIGERIA.**

The Committee is proposing a hybrid enforcement model, featuring a self-enforcement mechanism and regulator enforced model i.e enforcement by the NBA or others pursuant to validly existing laws and legislations.

### **A. Self-Enforcement Mechanism:**

Under the self-enforcement approach, lawyers who are employees or prospective employees of lawyers, law firms, or government shall be prohibited from accepting employments with remuneration below the Standard Minimum Wage or below the Alternative Minimum Structure that is applicable to the employee. A breach of this requirement would be an infamous conduct under the LPA and the RPC and may be tried by the LPDC or any committee of the NBA set up for such purpose. Punishment will be at the discretion of the LDPC, subject to the provisions of the LPA.

### **B. Enforcement by a Regulatory Authority**

#### **i. Amendment of the LPA to make it Compulsory for Employers to issue Employees Contract of Employment on or before Commencement of Employment:**

Further to our recommendation that every employee must be provided with a contract of employment expressly providing details of the employee's emoluments including cash benefits and benefits in kind, as an enforcement mechanism, we recommend that this should be included in the LPA with an additional condition that an employer should every six (6) months, file return with the employer's local Branch of the NBA as prescribed by the Remuneration Committee of the NBA from time to time specifying the lawyers that have been employed by him within the period .

#### **ii Amendment of the LPA to provide for Minimum wage**

In order to ensure the proper monitoring and enforcement of the 2-pronged minimum remuneration structure, it is imperative that the LPA be amended to provide for the compliance by law firms and lawyers with the minimum wage structures and standard conditions of service for Lawyers which will be enacted by the national executive committee of the NBA ("NEC") by regulation. The NBA is the umbrella body for legal practitioners in the country, with direct contact and interactions with the employers and employees who will be most impacted by the

minimum standard remuneration and therefore have the granular details and engagement platforms with which it can arrive at the minimum wage.

The minimum wage to be prescribed will be determined by the NEC and all law firms, whether operating as sole proprietorships or partnerships in Nigeria, would have to comply with the minimum wage prescribed pursuant to the LPA. Upon implementation, no lawyer or law firm in Nigeria shall pay a lawyer below the minimum wage applicable.

**iii. Set up structures within the NBA to recommend, regulate and enforce the minimum wage and Compliance with Statutory Obligations.**

The Constitution of the NBA should be amended to include the remuneration committee as one of the standing committees of the NBA. The committee would be responsible for the following:

- Review the minimum wage every two (2) years and recommend any amendment to regulations on the minimum wage and conditions of service of lawyers enacted by the NEC.
- Receive petitions for breach of the minimum wage regulation by lawyers and law firms and investigate the same and send meritorious petitions to the LPDC. Where a lawyer is found to have breached the regulation by the remuneration committee, it shall in addition to sending the name of the persons involved to the LPDC, also recommend punishments within the powers of the NBA to be enforced by the President of the Bar and the decisions published on the NBA website and periodically in the national dailies.
- Establishing and maintaining a Whistleblowing System that enables any lawyer under anonymity to report any employer who is in breach of any of the statutory obligations mentioned above that apply to the Employer or the approved minimum wage structures

**iv. Amend the Rules of Professional Conduct to make the payment of minimum wage mandatory for all law firms.**

The RPC should be amended to provide for the compulsory payment of the standard minimum wage or the alternative remuneration structure by and to lawyers in the Nigeria. Failure to comply with either of the above should lead to penalties including the payment of fines.

**v. Establishment of Whistleblowing System**

The Committee recommends that a whistleblowing system should be introduced by the NBA that enables any lawyer under anonymity, to report any employer who is in breach of any of the statutory obligations mentioned above that apply to the employer or the approved minimum wage structures

**C. Punishment for Breach of the minimum wage and conditions of service for lawyers' requirements**

The LPA and the RPC should provide that a breach of the minimum wage provision is an offence, and if found guilty by the LPDC, the Committee recommends that the LPDC should be empowered to do the following:

- i. Order the payment of the shortfall between the prescribed minimum wage and the actual amount paid to the employee;
- ii. Order as a penalty, the payment of interest on the shortfall at the rate of 10 % per annum or a flat fee per day accruing from the date of failure to pay the prescribed minimum wage to the date of actual payment of outstanding remuneration.
- iii. Report the offending lawyer or law firm to the Legal Practitioners Privileges Committee with a view to rejecting the application of such a lawyer or any lawyer practicing with such a firm who is aspiring for the privilege of being conferred with the rank of Senior Advocate of Nigeria or to be appointed a Judge of any Court in the Country, or Notary Public. Etc.
- iv. Recommend that no Letter of Good Standing should be issued by the NBA or a branch of the NBA to a defaulting employer until one (1) year after i and ii above have been complied with as verified by the LPDC,

## **7 IMMEDIATE STEPS THAT CAN BE TAKEN BY THE NBA TO ADOPT THE MINIMUM WAGE AND ENFORCE IT BEFORE THE AMENDMENT OF THE LPA**

In order to establish and ensure the quick implementation of a minimum wage for lawyers in Nigeria, the NBA should implement the following options upon the adoption of this Report.

Immediately publish the proposed minimum wage as a recommendation of the NBA for lawyers and law firms in Nigeria.

- i. Immediately procure the NBA NEC's approval of the 2-pronged minimum remuneration scale.
- ii. Upon NEC's approval of the 2-pronged scale, announce the NBA's Standard Minimum Wage and the Alternative Minimum wage Structure with a 60-day window for law firms and lawyers to start to comply with the above prior to publication of a list of compliant Firm's on the NBA's website and other public documents
- iii. Publish the list of compliant firms immediately the 60-day window lapses and regularly update same on the NBA website and other publications of the NBA.
- iv. Amend the NBA's constitution to provide for the minimum wages to be reviewed by a Remuneration Committee every two (2) years and appropriate recommendations made to NEC.
- v. Immediately institute a compliance certification process.
- vi. Enforce Rule 13(1) of the RPC on the notification of legal practice and expanding the scope to include registration of firms and filing of annual returns.
- vii. Procure the amendment of the RPC to incorporate the 2-pronged minimum remuneration structure as one of the mandatory rules of professional conduct for legal practitioners and the penalties for its breach.

## CONCLUSION

The Committee would like to thank the President of the NBA, Olumide Akpata and the National Secretariat of the NBA for their support and timely responses to our requests. Our appreciations also go to all our professional colleagues who participated in the surveys and townhalls, or submitted position papers, all of which provided invaluable information and data without which we would have been unable to come up with this report.

**This Report includes Appendixes 1-4 attached hereto and was adopted by the Committee and issued this 24<sup>th</sup> day of January, 2022.**

**For and on behalf of the Committee:**



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**Anthony Nwaochei**  
**Chairman**



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**Seyi Olawunmi**  
**Co-Chairman**



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**Barbara Omosun**  
**Secretary**

**LEGAL PRACTITIONERS (REMUNERATION AND SCALE OF CHARGES) ORDER, 2021**

**1. Regulation of remuneration**

The remuneration of a legal practitioner in respect of legal services provided by such legal practitioner shall be regulated as follows:

- (a) In respect of any consultation or legal opinion issued by such legal practitioner, the remuneration of the legal practitioner having conduct of the business shall be as prescribed in Part A of the Schedule to this Order.
- (b) In respect of the incorporation of any limited liability company or registration of incorporated trustees, business names, partnerships, cooperative societies or any such organisation, the remuneration of the legal practitioner having conduct of the business shall be as prescribed in Part B of the Schedule to this Order.
- (c) In respect of representation by the legal practitioner before any regulatory body, arbitral tribunal, quasi-judicial body or court of first instance, the remuneration of the legal practitioner having conduct of the business shall be as prescribed in Section 1 of Part C of the Schedule to this Order.
- (d) In respect of representation by the legal practitioner before any criminal court, the remuneration of the legal practitioner having conduct of the business shall be as prescribed in Section 2 of Part C of the Schedule to this Order.
- (e) In respect of any sale, purchase, mortgage, lease or agreement for lease of any property, the remuneration of the legal practitioner having conduct of the business shall be as prescribed in Part D of the Schedule to this Order.
- (f) In respect of all other matters not provided for in paragraphs (a) – (e) of this section, the remuneration of the legal practitioner having conduct of the business shall be as prescribed in Part E of the Schedule to this Order.

**2. Drafts, etc., to be client's property**

Drafts and copies made during business for which remuneration is provided for by this Order, shall be the property of the client.

**3. Legal practitioner may give notice on election to charge under Part E**

In all cases to which the remuneration prescribed in Parts A - E set out in the Schedule to this Order would, but for this section, be chargeable, a legal practitioner may, before undertaking any business, by writing under his hand communicated to the client, elect that his remuneration shall be in accordance with the provisions of Part E also set out in that Schedule.

**4. Security against remuneration interest on disbursements, etc.**

- (1) A legal practitioner may accept from his client, and the client may give to his legal practitioner, security for the amount to become due to the legal practitioner for business to be transacted by him and for interest on such amount but such interest shall not commence till the amount due is ascertained, either by agreement or taxation.

- (2) A legal practitioner may charge interest at ten per cent per annum on his disbursement and cost whether by scale or otherwise, after the expiration of one month from demand from the client; and where the disbursement and cost are payable by an infant or out of a fund not presently available, the demand may be made on the parent or guardian or the trustee or other person liable.

## **5. Fees chargeable to be as specified in Scales**

- (1) The fees prescribed in the Schedule to this Order shall be the fees chargeable for the matters stated therein, and save as provided for in this section, shall not be negotiable.
- (2) A legal practitioner may be allowed, in respect of any business which is required to be and is by special exertion carried through in an exceptionally short length of time, or to a higher degree of care, professionalism or diligence, a proper remuneration for the special exertion.
- (3) In the circumstances set out in sub-section (2) of this section, a legal practitioner is permitted to charge his client an amount of fees above the maximum amount that would otherwise have been applicable as set out in the Schedule.
- (4) Where a legal practitioner intends to charge a client in accordance with sub-section (3) of this section, he shall provide the following to the client in writing:
  - (a) A statement showing the amount that would have been chargeable under the relevant provisions of the scale;
  - (b) A statement showing the amount the legal practitioner intends to charge for his services and the amount by which the legal practitioner's proposed fees exceed the amount that would have been chargeable;
  - (c) A copy of this Order;
  - (d) A statement explaining the exceptional circumstances justifying the proposed fees under sub-section (2) of this section;
  - (e) A copy of the legal practitioner's professional indemnity insurance cover.
- (5) The legal practitioner shall not accept the instruction to provide legal services or commence work on a matter to which sub-sections (2), (3) and (4) of this section applies, until the legal practitioner has provided the client with the information set out in sub-section (4) and the client has agreed in writing to the proposed fees.
- (6) A legal practitioner who violates sub-section (5) of this section shall, in a suit brought by or at the instance of the client, be liable to pay the client an amount which is not less than twice the amount by which the legal practitioner's fees exceeded the amount which would have been chargeable under the Schedule.
- (7) A legal practitioner who charges a client less than the amount set out in the relevant part of this Schedule shall be guilty of a professional misconduct and shall for that purpose appear before the Legal Practitioners Disciplinary Committee.

- (8) Notwithstanding sub-section (7) above, a legal practitioner may, in legal aid matters recognised under the Legal Aid Act 2011 or any applicable statute for the time being in force, charge a lower fee than set out in the Schedule to this Order or provide his services pro bono, in both instances, as provided in the relevant statute. A legal practitioner may also in consideration of his relationship with his client by consanguinity or affinity, charge no fees for legal services provided to the client.
- (9) Where a legal practitioner intends to charge no fee for legal services as a result of his relationship with the client in accordance with sub-section (8) of this Section, he shall provide the following to his branch of the NBA prior to commencing the work;
- (a) A copy of the contract or letter under which his services were engaged by the client, duly executed by the legal practitioner and the client.
  - (b) A statement on oath explaining his relationship with the client.

## **6. Designation of State Bands**

Prior to the coming into force of this Order, the Legal Practitioners Remuneration Committee shall designate each of the states of the Federation into the bands for the purpose of the application of the Schedule to this Order.

## **7. Periodic Review**

- (1) The Legal Practitioners Remuneration Committee shall periodically, and in any event, at least once every three years following the commencement of this Order, review, affirm or change:
- (a) The designation of the states of the Federation into bands for the purpose of the Schedule to this Order;
  - (b) The amounts set out in the various Parts of the Schedule to this Order.

## **8. Citation and Revocation**

- (1) This Order may be cited as the Legal Practitioners (Remuneration and Scale of Charges) Order 2021.
- (2) The Legal Practitioners (Remuneration for Legal Documentation and Other Land Matters) Order 1991 is hereby revoked.

## SCHEDULE SCALE OF CHARGES FOR LEGAL PRACTITIONERS

### PART A: CONSULTATION AND LEGAL OPINIONS

CONSULTATION FEES	State Band 1		State Band 2		State Band 3	
	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)
Legal Practitioners with 9 years post qualification experience or less	20,000	200,000	25,000	250,000	30,000	300,000
Legal practitioners with over 10 years post-qualification experience	100,000	5,000,000	150,000	6,250,000	200,000	7,500,000
Senior Advocates of Nigeria	300,000	10,000,000	400,000	15,000,000	500,000	20,000,000

ISSUING LEGAL OPINIONS	State Band 1		State Band 2		State Band 3	
	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)
Legal Practitioners with 9 years post qualification experience or less	50,000	500,000	80,000	800,000	100,000	1,000,000
Legal practitioners with over 10 years post-qualification experience	150,000	5,000,000	200,000	7,500,000	400,000	10,000,000
Senior Advocates of Nigeria	750,000,	20,000,000	1,000,000	25,000,000	2,000,000	30,000,000

**PART B: INCORPORATION OF COMPANIES/REGISTRATION OF BUSINESSES**

INCORPORATION	State Band 1		State Band 2		State Band 3	
	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)
Legal Practitioners with 9 years post qualification experience or less	50,000	200,000	80,000	320,000	100,000	400,000
Legal practitioners with over 10 years post-qualification experience	100,000	400,000	150,000	600,000	200,000	800,000
Senior Advocates of Nigeria	300,000	1,200,000	400,000	1,600,000	500,000	2,000,000

**PART C: LITIGATION**

**Section 1: Civil Litigation<sup>39</sup>**

<b>LABOUR DISPUTES</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	200,000	2,000,000	300,000	3,000,000	400,000	4,000,000
Legal practitioners with over 10 years post-qualification experience	500,000	7,500,000	600,000	15,000,000	700,000	17,500,000
Senior Advocates of Nigeria	2,000,000	20,000,000	2,500,000	25,000,000	3,000,000	30,000,000

<b>CONTRACTUAL DISPUTES</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	300,000	3,000,000	400,000	4,000,000	500,000	5,000,000
Legal practitioners with over 10 years post-qualification experience	500,000	7,500,000	600,000	15,000,000	700,000	17,500,000
Senior Advocates of Nigeria	2,000,000	20,000,000	2,500,000	25,000,000	3,000,000	30,000,000

<sup>39</sup> This Section covers litigation before first instance courts, including magistrate courts. This scale also covers representation before arbitral, regulatory and quasi-judicial bodies.

<b>MARITIME &amp; AVIATION DISPUTES</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	400,000	4,000,000	500,000	5,000,000	600,000	6,000,000
Legal practitioners with over 10 years post-qualification experience	600,000	15,000,000	700,000	17,500,000	800,000	20,000,000
Senior Advocates of Nigeria	3,000,000	30,000,000	3,500,000	35,000,000	4,000,000	40,000,000

<b>ENERGY AND MINING DISPUTES</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	500,000	5,000,000	600,000	6,000,000	700,000	7,000,000
Legal practitioners with over 10 years post-qualification experience	700,000	17,500,000	800,000	20,000,000	9,000,000	22,500,000
Senior Advocates of Nigeria	3,000,000	30,000,000	3,500,000	35,000,000	4,000,000	40,000,000

<b>MISCELLANEOUS DISPUTES<sup>40</sup></b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	400,000	6,000,000	500,000	7,500,000	600,000	9,000,000
Legal practitioners with over 10 years post-qualification experience	600,000	18,000,000	700,000	21,000,000	800,000	24,000,000
Senior Advocates of Nigeria	3,000,000	45,000,000	3,500,000	52,500,000	4,000,000	60,000,000

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<sup>40</sup> This scale is to be applied in non-property litigation where a specific scale has not been provided.

**Section 2: Criminal Litigation**

<b>BAIL APPLICATION</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	50,000	1,000,000	100,000	1,500,000	150,000	2,000,000
Legal practitioners with over 10 years post-qualification experience	100,000	5,000,000	150,000	6,250,000	250,000	7,500,000
Senior Advocates of Nigeria	500,000	10,000,000	600,000	15,000,000	750,000	20,000,000

<b>MISDEMEANORS</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	200,000	2,000,000	250,000	2,500,000	300,000	3,000,000
Legal practitioners with over 10 years post-qualification experience	300,000	7,500,000	400,000,	10,000,000	500,000	12,500,000
Senior Advocates of Nigeria	1,000,000	10,000,000	1,500,000	15,000,000	2,000,000	20,000,000

<b>FELONIES</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	300,000	300,000	350,000	3,500,000	400,000	4,000,000
Legal practitioners with over 10 years post-qualification experience	400,000	10,000,000	500,000	12,500,000	600,000	15,000,000
Senior Advocates of Nigeria	2,000,000	2,000,000	2,500,000	25,000,000	3,000,000	30,000,000

**Section 3: Appeals**

<b>HIGH COURT</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	400,000	6,000,000	500,000	7,500,000	600,000	9,000,000
Legal practitioners with over 10 years post-qualification experience	600,000	18,000,000	700,000	21,000,000	800,000	24,000,000
Senior Advocates of Nigeria	3,000,000	45,000,000	3,500,000	52,500,000	4,000,000	60,000,000

<b>SHARIA COURT OF APPEAL</b>	<b>State Band 1</b>		<b>State Band 2</b>		<b>State Band 3</b>	
	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>	<b>Minimum (₦)</b>	<b>Maximum (₦)</b>
Legal Practitioners with 9 years post qualification experience or less	400,000	6,000,000	500,000	7,500,000	600,000	9,000,000
Legal practitioners with over 10 years post-qualification experience	600,000	18,000,000	700,000	21,000,000	800,000	24,000,000
Senior Advocates of Nigeria	3,000,000	45,000,000	3,500,000	52,500,000	4,000,000	60,000,000

COURT OF APPEAL	State Band 1		State Band 2		State Band 3	
	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)
Legal Practitioners with 9 years post qualification experience or less	500,000	7,500,000	600,000	9,000,000	700,000	10,500,000
Legal practitioners with over 10 years post-qualification experience	700,000	21,000,000	800,000	24,000,000	1,000,000	30,000,000
Senior Advocates of Nigeria	4,000,000	60,000,000	5,000,000	75,000,000	6,000,000	90,000,000

SUPREME COURT	State Band 1		State Band 2		State Band 3	
	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)
Legal Practitioners with 9 years post qualification experience or less	600,000	9,000,000	700,000	10,500,000	800,000	12,000,000
Legal practitioners with over 10 years post-qualification experience	800,000	24,000,000	900,000	27,000,000	1,500,000	45,000,000
Senior Advocates of Nigeria	5,000,000	75,000,000	6,000,000	90,000,000	7,000,000	105,000,000

**PART D: PROPERTY TRANSACTIONS**

**Section 1: Assignments, Conveyances and Mortgages**

A	The Assignee's or Mortgagee's legal practitioner	Property Value or mortgage value in the case of a mortgage: < ₦50,000,000		Property Value or mortgage value in the case of a mortgage: ₦50,000,000 – ₦100,000,000		Property Value or mortgage value in the case of a mortgage: > ₦100,000,000	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Conveyancing and Assignments (public or private auctions)	8%	10%	N4m for the first N50m and 5% of every subsequent amount up to N100m	N4m for the first N50m and 8% of every subsequent amount up to N100m	N6.5m for the first N100m and 3% of every subsequent amount	N 6,5m for the first N100m and 5% of every subsequent amount
	Mortgages	4%	6%	N2m for the first N50m and 3% of every subsequent amount up to N100m	N2m for the first N50m and 5% of every subsequent amount up to N100m	N4.5m for the first N100m and 2% of every subsequent amount	N4.5m for the first N100m and 4% of every subsequent amount
B	The Assignor's or Mortgagor's legal practitioner	Scale of charges for reviewing the draft agreement shall be one half of the amount payable to the Assignee's or Mortgagee's legal practitioner.					

**Section 2: Leases and Tenancies**

A	The Lessor's or Landlord's legal practitioner	Annual Rental Value: < ₦5,000,000		Annual Rental Value: ₦5,000,000 – ₦10,000,000		Annual Rental Value: > ₦10,000,000	
		Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Concluding the lease/tenancy agreement	8%	10%	N500,000 for the first N5m and 5% of every subsequent	N500,000 for the first N5m and 6% of every subsequent	N850,000 for the first N5m and 5% of every subsequent	N850,000 for the first N5m and 6% of every

				amount up to N10m	amount up to N10m	amount up to N10m	subsequent amount.
	Tenancy disputes, including actions for the recovery of possession	20%	30%	N1M for the first N5m and 17.5% of every subsequent amount up to N10m	N1M for the first N5m and 25% of every subsequent amount up to N10m	N2,350,000 for the first N10m and 15% of every subsequent amount	N2,350,000 for the first N10m and 20% of every subsequent amount.
<b>B</b>	<b>The Lessee's or Tenant's legal practitioner</b>	Scale of charges for reviewing the draft agreement shall be one half of the amount payable to the Lessor's or Landlord's legal practitioner.					

## PART E: HOURLY RATES AND MISCELLANEOUS<sup>41</sup>

### Section 1: Hourly Rates

HOURLY RATES	State Band 1		State Band 2		State Band 3	
	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)	Minimum (₦)	Maximum (₦)
Associates (or legal practitioners between 0-6 years' experience)	10,000	20,000	20,000	80,000	30,000	120,000
Senior Associates (or legal practitioners between 6-12 years' experience)	20,000	50,000	80,000	150,000	120,000	200,000
Partners	50,000	150,000	150,000	200,000	200,000	300,000

### Section 2: Other Matters not provided for in the Scale

The scale of charges for any business not provided for elsewhere in this Order shall be such sums as may be fair and reasonable, having regard to all the circumstances of the case and in particular to -

- a. the complexity of the matter or the difficulty or novelty of the questions raised;
- b. the skill, labour, specialised knowledge and responsibility involved on the part of the legal practitioner;
- c. the number and importance of the documents prepared or perused, without regard to length;
- d. the time expended by the legal practitioner in the business;
- e. the place where and the circumstances in which the business or a part thereof is transacted;
- f. the amount of money or value of property involved; and
- g. the importance attached to the business by the client.

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<sup>41</sup> This scale is to be applied in other matters where a scale has not been provided, including in commercial contracts.



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**NIGERIAN BAR ASSOCIATION  
TERMS OF REFERENCE | REMUNERATION COMMITTEE**

**March 2021**

## 1. BACKGROUND

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The question of remuneration of legal practitioners in law firms and other organisations, is undoubtedly one of the most controversial issues that successive administrations of the NBA have faced, but not necessarily addressed holistically.

Without a doubt, the remuneration of legal practitioners is a purely contractual issue between the lawyer and his employer, and the NBA as presently constituted lacks the powers to determine such remuneration or compel compliance with any proposals in that respect. That being said, a good number of lawyers work without any formal employment contract thus leaving them at the mercy of their employers. In some cases, the paltriness of the remuneration that our lawyers receive is a function of the inability of their employers to do better given the revenue base of their law firms. In many other cases, however, this practice is simply and squarely unjustified.

Closely related to that is the manner in which legal practitioners charge their clients for services provided and undercut their colleagues. It is common knowledge that the provisions of the Rules of Professional Conduct 2007 which prohibit charging low fees that amount to undercutting, are hardly obeyed in practice as lawyers charge ridiculously less than the minimum fees specified by extant rules. This has gone on for way too long and the current administration of the NBA is determined to check this trend.

For this purpose, the NBA President, with the approval of the National Executive Committee (“**NEC**”) has set up the NBA Remuneration Committee (the “**Committee**”) to, broadly speaking, devise feasible ways to improve the poor remuneration of legal practitioners, and design a workable and enforceable framework under which lawyers will (i) charge the right fees for their legal services using acceptable and realistic metrics; and (ii) ensure that those fees, when earned, trickle down, in terms of reasonable living wages and emoluments, to those who work with, or for, the lawyers.

## 2. TERMS OF REFERENCE

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To generally achieve these objectives, the NBA Remuneration Committee (the “**Committee**”) have these Term of References which includes to:

- (a) undertake a critical study of the practice in other jurisdictions (that are akin to Nigeria) in respect of how lawyers charge clients for their services and the manner in which fee-earners are remunerated or compensated by their employers;
- (b) carry out an empirical survey of the cost of living (with focus on feeding, transportation, and housing) in various parts of the country in order to propose a ‘living wage’ for lawyers in each part of the country and such identified living wage shall be recommended to members by the NBA;
- (c) consider the possibility of recommending alternative business models or working arrangements that could enhance income, e.g. commission-based employment, part time work arrangements, partnerships and other types of contractual

working arrangements that take account of the amount actually earned by the employee lawyer;

- (d) propose a new and suitable scale of charges for legal services for consideration by NEC and recommendation to the Legal Practitioners Remuneration Committee (the “**LPA Committee**”) established under the Legal Practitioners Act under the leadership of the Attorney-General of the Federation. The new scale should, to the extent possible, be comprehensive in terms of the nature of legal services covered and allow for a period or automatic review of the indices used in making the recommendations so as to match economic realities over time;
- (e) work on and propose other initiatives that will in the mid to long term increase the earning capacity of lawyers and law firms to enable them to provide improved remuneration packages for their employees in line with the recommended living wage or even better;
- (f) make recommendations on the practical and innovative ways in which the recommendations of the Committee in respect of remuneration and scale of charges can be policed or enforced by the NBA. In making these recommendations, the Committee should pay particular attention to if and how the NBA can begin to implement, or ensure compliance with, the new scale of charges prior to (i) any statutory amendments; and/or (ii) the approval of the LPA Committee, and further assume that the LPA Committee will unduly delay in approving the scale of charges;
- (g) call for memorandum and inputs from members in respect of the mandate of the Committee and prepare a detailed report on the findings and recommendations of the Committee for presentation to NEC;
- (h) consider whether the mandate of the Committee and the implementation of its recommendations could be deemed as anti-competitive under existing competition laws in Nigeria and if and where necessary, engage with the Federal Competition and Consumer Protection Commission under its enabling statute to resolve any anti-competition concerns that may hinder the implementation of the Committee’s recommendations;
- (i) consider previous reports and recommendations (if any) that may have been made to or by the NBA in respect of the subject matter of the Committee’s mandate and identify why those reports and recommendations were not implemented;
- (j) carry out any other related functions that may be assigned to it by the President or the NEC including assisting with the implementation of approved recommendations of the Committee; and
- (k) make recommendations to the NBA President and NEC (as appropriate) and carry out such other functions that are consistent with the foregoing or which are necessary to achieve the mandate of the Committee.

### **Reporting, Completion Timelines and Others**

Considering that nature of the tasks of the Committee, it is suggested that the Committee should consider breaking into two sub-committees with one focusing on remuneration and the other on scale of charges.

In view of the enormity of the tasks of the Committee, it is recommended that the Committee should commence work immediately and possibly meet weekly or as often as the Chairman of the Committee directs. To the extent possible, all meetings should be virtual, but physical meetings may, with the approval of the President be held to discuss exigent matters.

The Office of the President should be kept apprised of key developments of the Committee every fortnight, or as often as the circumstances may require, but written progress reports should be submitted monthly pending the issuance of a final report.

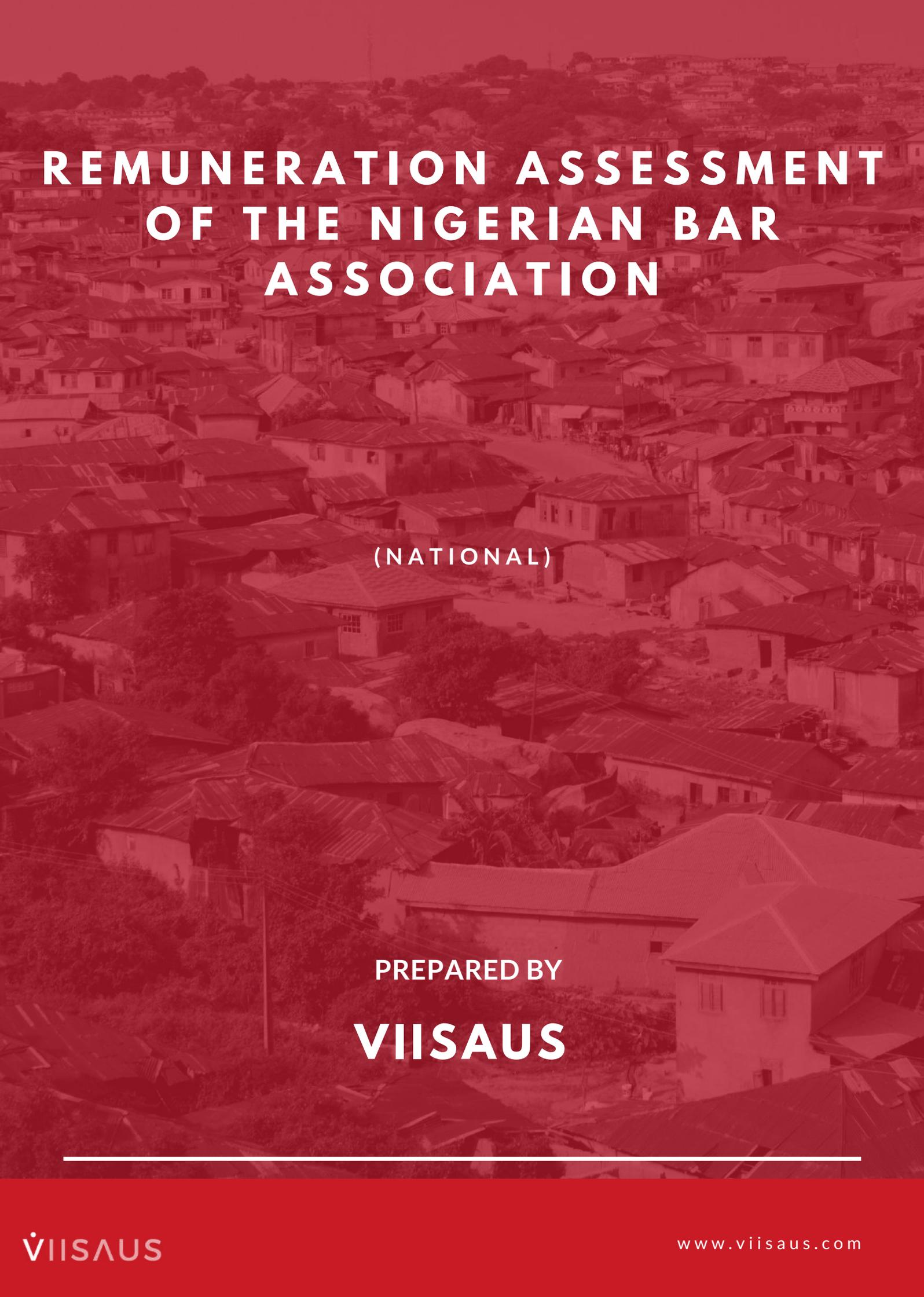
The Committee is expected to present its report to NEC at the NEC meeting scheduled for mid-June 2021 and thereafter make necessary modifications to the report before 31<sup>st</sup> July 2021. It is intended that the full implementation of the recommendations of the Committee will begin on the first anniversary of the term of office of this administration in August 2021.

This task of this Committee is key to the success of the current administration of the NBA and the assistance and commitment of the Committee towards achieving its mandate in record time will go a long way in improving the living standards of our members.

### **Enquiries and Support**

If you have any questions or require any support from the NBA, please contact and liaise with any of the following:

- **Desmond Ogba** (Chief of Staff to the President) - 08066745165;  
[desmond.ogba@templars-law.com](mailto:desmond.ogba@templars-law.com)
- **Toju Okoturo** (Deputy Chief of Staff to the President) - 08061313796;  
[toritseju.okoturo@nigerianbar.org.ng](mailto:toritseju.okoturo@nigerianbar.org.ng)
- **Ayodeji Oni** (Office of the President) - 08033452825;  
[ayodeji.oni@nigerianbar.org.ng](mailto:ayodeji.oni@nigerianbar.org.ng)



# REMUNERATION ASSESSMENT OF THE NIGERIAN BAR ASSOCIATION

(NATIONAL)

PREPARED BY  
**VIISAUS**

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# ABOUT US

Data has become an important part of how we understand and develop political campaigns. At VIISAUS, we leverage our expertise in artificial intelligence and big data to provide our clients with data-derived insights to support faster decision-making and targeted political strategies.

This new practice of data-driven campaigning provides candidates with powerful tools for plotting electoral strategies. In this digital age, bringing technology to the party is not just a plus; it is now a requirement if you do not want to be at a competitive disadvantage.

Our technology consulting services help you develop a roadmap for change that integrates with your workforce and business processes. As a company, we are technologically versatile, which means we believe there is no one-size-fits-all. That is why all of our products and services are tailored to suit every client.

Our researchers go beyond traditional market research to deliver strategic advice and powerful insights that our clients can act on. In the world of market research, there are no truer words than our motto: Data never lies. We connect data to unlock richer insights and use a strategic framework to answer your most critical questions, adding real value to your organization or project.

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APPENDIX

# OBJECTIVES

- Investigate the reasons for dissatisfaction with remuneration amongst Lawyers and recommend strategies for improvement
- Ascertain the current remuneration and employment conditions of the NBA National members across the six geopolitical zones
- Identify the root causes of poor remuneration if/where they exist
- Determine the compliance levels following statutory obligations of law firms towards their employees
- Establish what would constitute a living wage for lawyers and the general terms and conditions required for decent work
- Recommend implementation strategies for statutory obligations of law firms to their employees
- Determine the probable impact sanctions will have on organizations not complying with the statutory obligations to their employees

## BACKGROUND

- In line with the Association's commitment to addressing the long-standing issue of Lawyer's remuneration, The Nigerian Bar Association, National seeks to discover and understand the general welfare of its members, specifically their current remuneration and other associated benefits
- The Association also desires to ascertain statutory obligations of employers toward their members concerning compliance and living standards
- To address this need, the Association instituted a Remuneration Committee ("the Committee") to identify the root causes of poor remuneration of lawyers in the country and recommend paths to improvements
- It is against this backdrop that "the Committee" commissioned VIISAUS to gather data to assist in determining remuneration bands, and in the formulation of policies, plans, and initiatives geared towards improving the welfare of its members
- This Report outlines VIISAUS' research approach and insights that will help the Remuneration Committee make informed decisions

# RESEARCH DESIGN & METHODOLOGY

To effectively address the objectives of this survey, an Embedded Mixed design approach was adopted in the data gathering process. A combination of qualitative and quantitative research methods was employed in executing the survey. See details of research methods and techniques employed below:

## Sampling

- Members were grouped (by creating Strata) by their Year of Call (YOC). '0 - 4', '5 - 10', '11 - 25' and '26 and above', were created as homogeneous strata, to eliminate oversampling or under-sampling of any groups
- The approach is to spread the expected/targeted 6,000 registered lawyers across the nation such that all branches across the country are fairly represented
- The committee sent the online questionnaire to 5,000 registered lawyers and the remaining 1000 lawyers were interviewed via phone calls across all the cadres of registered lawyers

## Qualitative

Desktop research was carried out, with a focus on:

- The cost of living (feeding, housing, and transportation) across the six geopolitical zones
- Practices in other jurisdictions, similar to Nigeria, concerning how lawyers charge clients for their services and how employees are remunerated or compensated by their employers
- This technique was used to generate insights, which were included in the findings

## Quantitative

- The research tool chosen to collect data was a structured questionnaire. The questionnaire was designed and set up as a survey tool on Google forms. The link (URL) was sent to “the committee” for onward propagation to members of the association
- To increase the reliability of the instrument, the research tool was also deployed via phone calls to 1000 members of the NBA in branches across the country
- The stratified random sampling (probability sampling) technique was used, as this technique is the most suitable for generating an unbiased sample from a large, diverse sample size for a quantitative survey

## Questionnaire Administration

- Questionnaires for this study were administered in two phases (self-filled CAWI) and Computer Assisted Telephone Interview (CATI) to get as much soft data as possible, to determine Lawyers remuneration, to identify the statutory obligation of employers of its members concerning compliance, and to gain knowledge of the opinions of Lawyers regarding standardization of legal fees

# EXECUTIVE SUMMARY

The Nigerian economy has been going through lots of economic changes in the last few years. Lawyers, both young and experienced, currently face challenges on remuneration, emoluments, and promotion in their respective firms. From our findings, we have compiled the key areas of concerns with lawyers remuneration that would help the stakeholders of the association take actions to improve the job satisfaction levels within Law firms across the country.

Although the economic state of the country is poor, firms can increase workers' remuneration and emoluments. The increase will reduce the strain of purchasing necessities and in the long run influence their performance and attitude towards work.

Emoluments like performance bonus, leave allowance and 13th-month salary are top on the list of lawyers desired welfare packages. The remunerations that lawyers found more beneficial are salary, Commission of briefs, 13th month, performance bonus and leave allowance.

It is the respondents desire that salaries are increased periodically according to the lawyer's professional development and years of service. Promotion may occur periodically, determined by the lawyer's professional development, work performance, and years of service.

Despite a significant awareness level (63%) of legal fees legislation, it was revealed that most (67%) firms don't adhere to the legislation. However, from the study it came out strongly that regulating/scaling legal fees will positively affect lawyer's remuneration.

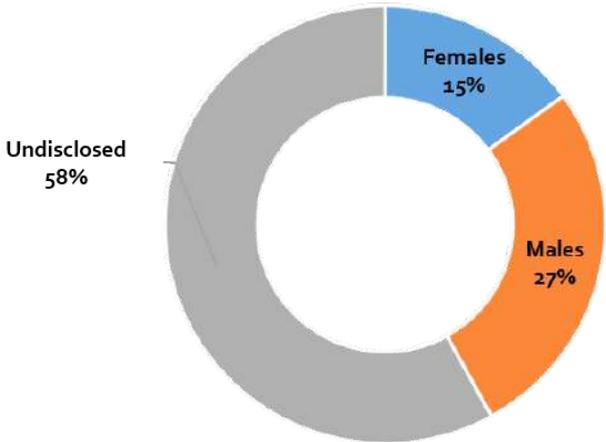
From our research, it was established that a majority of lawyers subscribe to the Nigerian Bar Association(NBA) prescribing a minimum or standard wage for lawyers and enforcing it with sanctions.

As a precursor to standardized minimum wage, the legal scale of fees may be standardized by the NBA. Some factors that could determine scale of fees are: difficulty of the case, the time frame of the case, the skill of the lawyer, the skill needed to handle the case effectively, and the state of the economy, etc. A scale of fees will not only be beneficial to lawyers. It will also benefit the larger society by preventing exploitation.

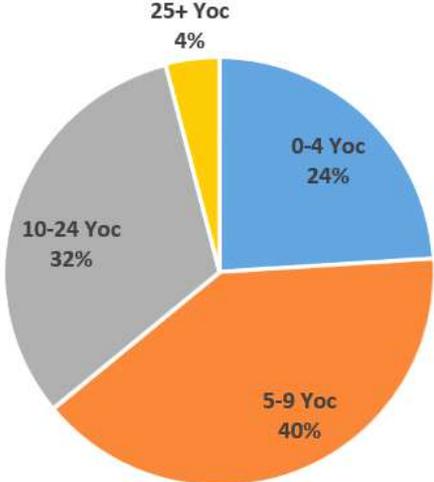
# DETAILED FINDINGS

## Respondent demographics

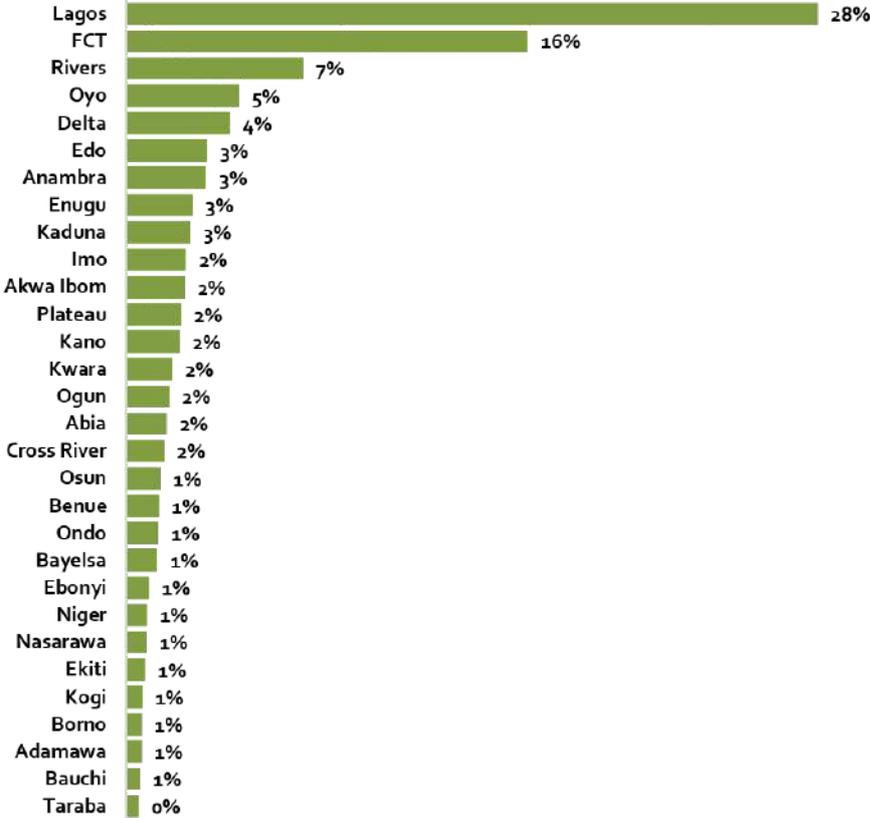
GENDER

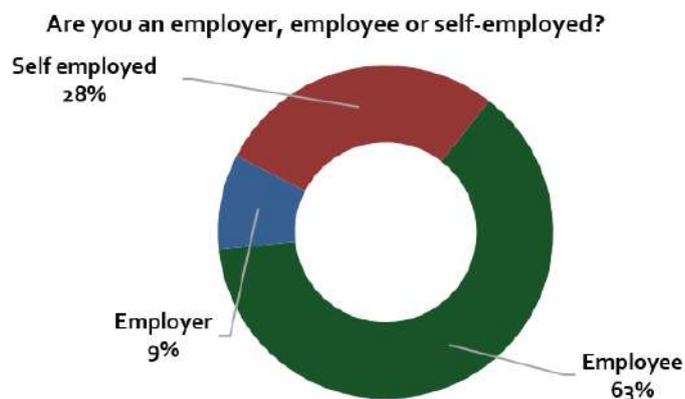
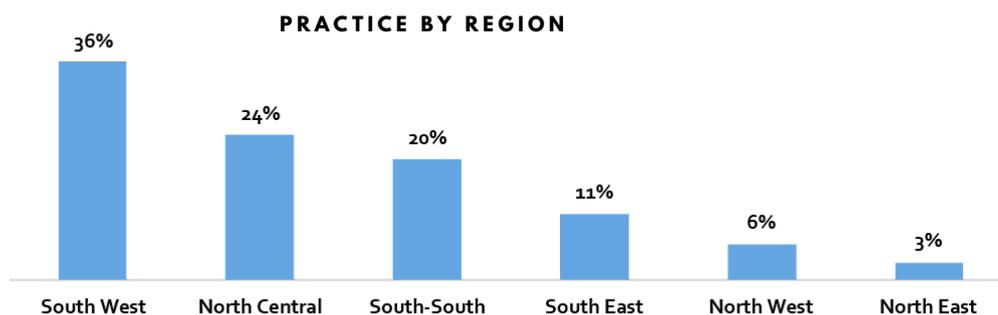


YEARS OF CALL (YOC)



Practice By State





The demographic dataset shows that over half (58%) of the respondents (lawyers) refused to disclose their gender, while 15% confirmed that they were females and 27% were males, with a majority (40%) practicing for 5-9 YOC, 32% for 10-24 YOC, 24% for 0-4 YOC and 4% for 25 and above YOC.

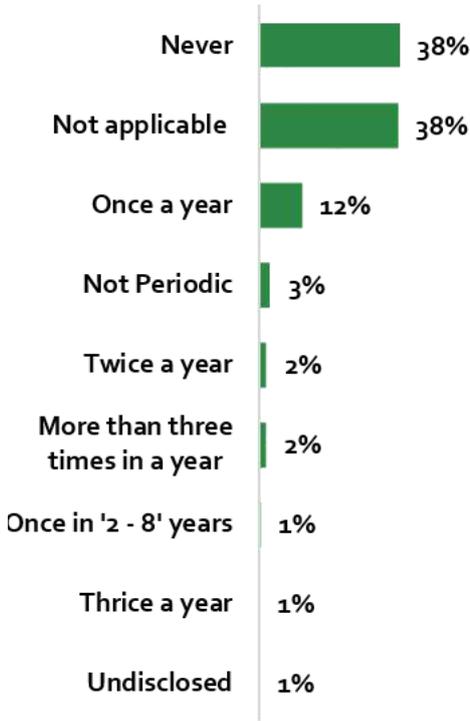
Most of the lawyers interviewed (63%) were employees; 28% were self-employed and 9% were employers. Breakdown across the six regions revealed that 36% (one-third) are from the South West, 24% from North Central, 20% from South-South, 11% from South East, 6% from North West, and 3% from North East.

## **EMPLOYMENT CONDITIONS OF LAWYERS**

### **TRAINING**

When asked how often lawyers are sponsored to attend training programs by their employers, 38% answered "never" and 38% mentioned "not applicable". Hence, 76% of lawyers across the country do not currently enjoy the benefits of attending training programs sponsored by their firms. This was the trend across the different bands of YOC:

How often are you typically sponsored to attend trainings and developmental programs by your employer? (Top 10)

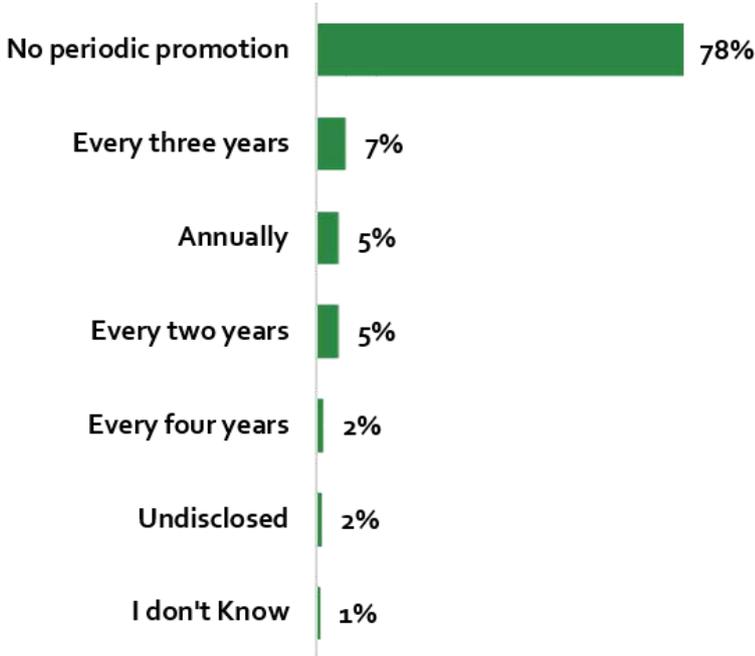


Responses ( top 4 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
Never	39	38	45	42	41	39
Not Applicable	32	37	37	41	37	37
Once a Year	14	13	8	11	11	11
Not Periodic	5	3	2	2	4	6

As shown in the table above, it is clear that the percentage of lawyers who do not currently enjoy attending sponsored training programs is much higher in the South-South, South-East & North-West compared to other regions.

**PROMOTION**

How frequent do people get promoted in your organization?



The relevance of periodic promotion cannot be over-emphasized in setting a favourable working structure. Periodic promotion serves as a way of rewarding great performance, loyalty and encouraging employee retention.

As shown in the chart above, when lawyers from all parts of the country were asked how frequently people get promoted in their organization, a majority (78%) said 'no periodic promotion', implying that promotion is at management's discretion.

Further analysis revealed that slightly above half (52%) of those that have practiced for 25 years and above were in agreement with the popular response of 'no periodic promotion', for other YOC; it was consistent with the national figures.

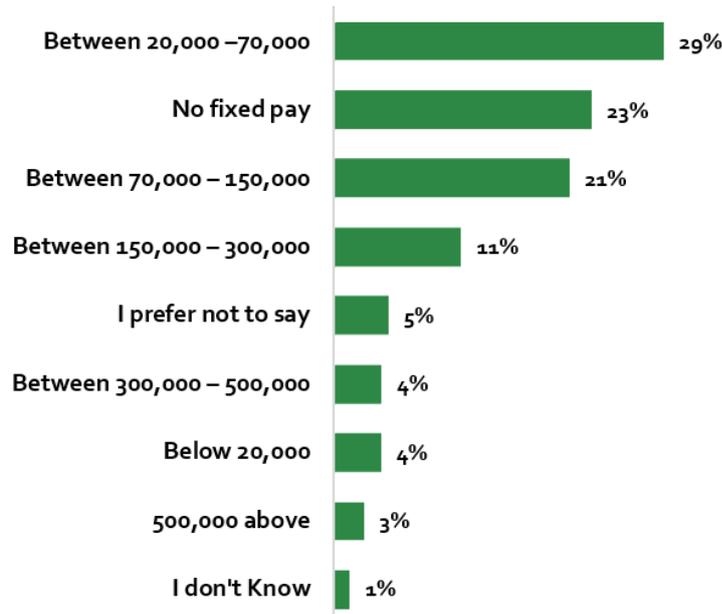
Responses (top 4 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
No Periodic Promotion	78	77	80	84	73	73
Every Three years	7	8	7	5	12	11
Annually	7	6	3	4	6	6
Every 2 years	5	4	3	3	3	5

Except for the South-South and South-East, which recorded a slightly higher figure compared to what was obtainable nationally, other regions were consistent in this regard.

## CURRENT REMUNERATION

### MONTHLY REMUNERATION RANGES

What is the range of your monthly remuneration (including reimbursable expenses and bonuses)?



Even though 23% of Lawyers mentioned 'no fixed pay', it was discovered that about 1/3 of Lawyers interviewed, receive between 20,000 – 70,000 naira; 21% earn between 70,000 – 150,000 naira, and 11% gets 150,000 – 300,000 naira as their monthly remuneration.

Further analysis revealed that 20,000 – 70,000 naira monthly remuneration is predominant among young lawyers (0-4YOC). While 'No fixed pay' response was more from lawyers with 10-24 YOC and those that are self-employed.

Responses by Regions (top 4 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
20,000 – 70,000	26	<b>31</b>	<b>30</b>	29	<b>38</b>	22
No Fixed Pay	13	23	<b>31</b>	<b>34</b>	<b>26</b>	<b>31</b>
70,000 – 150,000	<b>27</b>	21	11	14	16	21
150,000 – 300,000	<b>15</b>	8	9	7	6	6

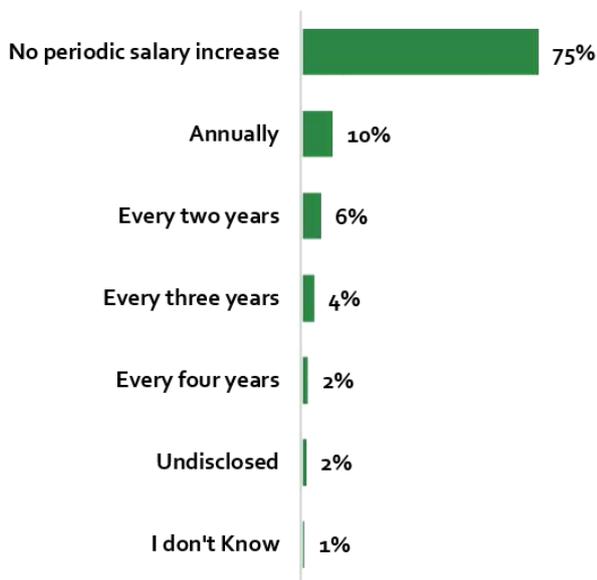
As shown in the table above, it was discovered that the proportion of lawyers with remuneration range of 20,000 – 70,000 naira is slightly higher in North-Central, South-South and more so in North-West. ‘No fixed pay’ was also notable in the South-South, South-East, North-West & North-East regions, while remuneration of 70,000 – 150,000 naira and 150,000 – 300,000 naira was more prevalent in the South-West compared to other regions.

Responses from 2 major states in each region (Top 4 Boxes)	SW		NC		SS		SE		NW		NE	
	Lagos	Ekiti	FCT	Kwara	Rivers	Edo	Anambra	Enugu	Kano	Sokoto	Bauchi	Taraba
	%	%	%	%	%	%	%	%	%	%	%	%
20,000 – 70,000	19	<b>31</b>	33	<b>35</b>	27	<b>47</b>	<b>34</b>	<b>35</b>	34	29	21	<b>24</b>
No Fixed Pay	11	<b>31</b>	17	<b>24</b>	<b>34</b>	13	31	26	<b>34</b>	<b>43</b>	25	<b>32</b>
70,000 – 150,000	<b>33</b>	9	<b>25</b>	17	11	<b>14</b>	13	<b>23</b>	9	7	14	<b>28</b>
150,000 – 300,000	<b>19</b>	3	<b>10</b>	5	9	<b>10</b>	7	6	7	<b>14</b>	7	0

# SALARY

## INCREMENT FREQUENCY

How frequent do you enjoy salary increases in your current employment?



Only a handful of lawyers (10%) across the nation enjoy annual salary increases, while the majority (75%) opined that there is no periodic salary increase.

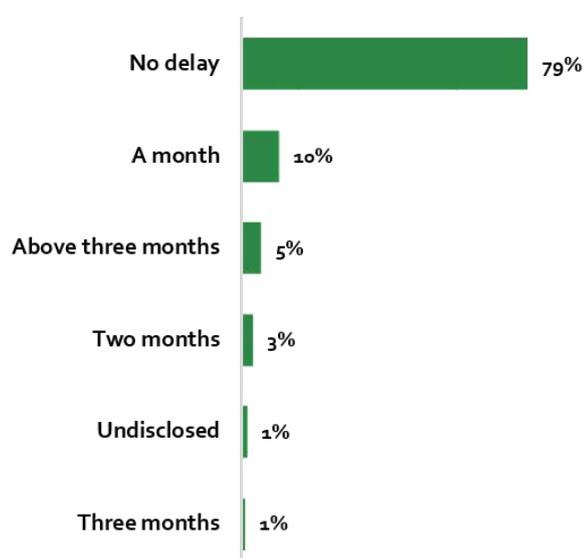
Responses by Yoc <i>(top 3 Boxes)</i>	Ratings			
	0-4 Yoc	5-9 Yoc	10-24 Yoc	25+ Yoc
	%	%	%	%
No Periodic Salary Increase	84	78	67	46
Annually	8	8	13	19
Every 2 years	5	6	7	16

The table above shows that a lesser percentage of those within 10-24YOC and 25+ YOC recorded 'No periodic salary increase', in contrast, a higher percentage within the above-mentioned YOC recorded an annual increment in salaries.

Except for the South-East that recorded a slightly higher percentage of lawyers that currently experience no periodic salary increase, other regions remained consistent with the national figure in this regard. Annual increment in salaries was predominant in South-West, North-Central & North-West compared to other regions.

## DELAY IN SALARY

Do you experience delays in the payment of your monthly salary, and how long does this delay typically last?



Irrespective of other unappealing factors around remuneration, it was discovered from the survey that the monthly salary of most lawyers (79%) comes as and when due and just 10% experience up to a month delay in payment of their salaries.

Responses by Yoc (top 3 Boxes)	Ratings			
	0-4 Yoc	5-9 Yoc	10-24 Yoc	25+ Yoc
	%	%	%	%
No delay	79	76	81	83
A month	11	11	9	8
Above 3 months	5	6	4	5

From the table above, it is clear that more of the older lawyers (10 YOC and above) enjoy little or no delay in receiving their monthly salaries.

Responses by Regions (top 3 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
No delay	84	76	76	72	79	75
A month	10	12	9	11	10	12
Above 3 months	2	6	7	11	6	5

Across the regions, it was also clear that many lawyers in the South-West enjoy little or no delay in payment of salaries, compared to other regions in the country.

## LAW FIRM SET-UP & CURRENT PRACTICES

To ascertain if the set-up of Law firms (staff strength, revenue & current practices) plays any role in influencing lawyer's remuneration. VIISAUS team asked participants to mention the number of lawyers that practice in their firms, estimate of firms' revenue, emoluments offered, and most beneficial and preferred welfare package offered. See details below:

### STAFF STRENGTH OF LAW FIRMS

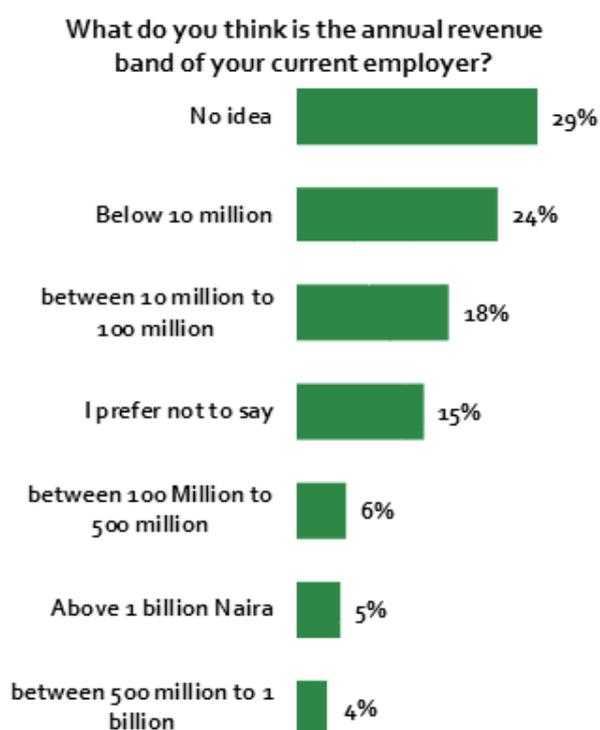


Responses (top 4 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
0-5	64	57	64	63	57	52
6-15	19	21	17	25	24	24
51 & above	5	5	5	4	6	5
16-30	5	6	2	2	4	7

Research dictates that while 63% of firms across the nation have between 0-5 practicing lawyers, only 20% of them have between 6 - 15 and only 5% employ above 50 Lawyers.

Across the regions, it was discovered that a majority of firms in the South West and South-South have 0-5 practicing lawyers compared to what was recorded nationally. Findings also showed that the North Central, South East, North West, and North East have more firms with a staff strength of 6-15 lawyers.

## REVENUE OF LAW FIRMS



A substantial percentage of practicing lawyers (29%) cannot estimate their firm's annual revenue. While 15% outrightly refused to mention the annual revenue of their firm.

However, 24% of lawyers said their firm earn below 10 million annually. 18% mentioned that their firm earns between 10-100 million naira annually; 6% of lawyers said between 100 – 500 million; 5% said above 1 million; and 4% between 500 million – 1 billion.

Further analysis revealed that a higher percentage of Employer (44%) and Self-employed lawyers (36%) earn below 10 million naira annually as against what was recorded nationally.

It was also discovered that the annual revenue of firms is proportionate to the number of lawyers in employment or practice in the Firm/Organisation.

Responses by Yoc (top 4 Boxes)	Ratings			
	0-4 Yoc	5-9 Yoc	10-24 Yoc	25+ Yoc
	%	%	%	%
No Idea	35	31	23	8
Between 10 – 100 million	21	19	14	28
Below 10 million	19	22	30	25
I prefer not to say	9	13	20	29

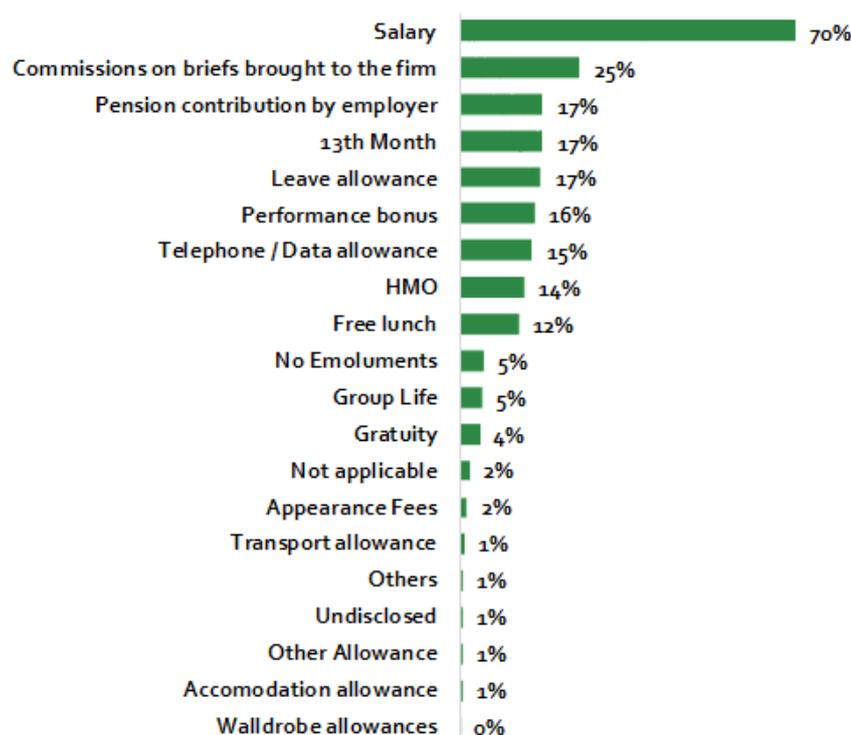
The above table confirms that the longer a lawyer has practiced at a firm, the more he/she tends to have an idea of the firm's annual revenue. Such a lawyer also becomes more discreet about it. The reverse is the case for younger lawyers.

Responses by Regions (top 4 Boxes)	Ratings					
	SW	NC	SS	SE	NW	NE
	%	%	%	%	%	%
No Idea	23	29	<b>31</b>	<b>34</b>	<b>39</b>	<b>36</b>
Between 10 – 100 million	23	16	14	16	15	14
Below 10 million	22	22	<b>25</b>	<b>29</b>	<b>28</b>	<b>29</b>
I prefer not to say	11	17	22	16	11	15

It is noteworthy that more lawyers in the South-South, South-East, North-West, and North-East regions have no idea of their firms' current revenue. These regions also recorded a higher percentage of firms that make below 10 million naira annually.

## EMOLUMENTS OFFERED BY FIRMS

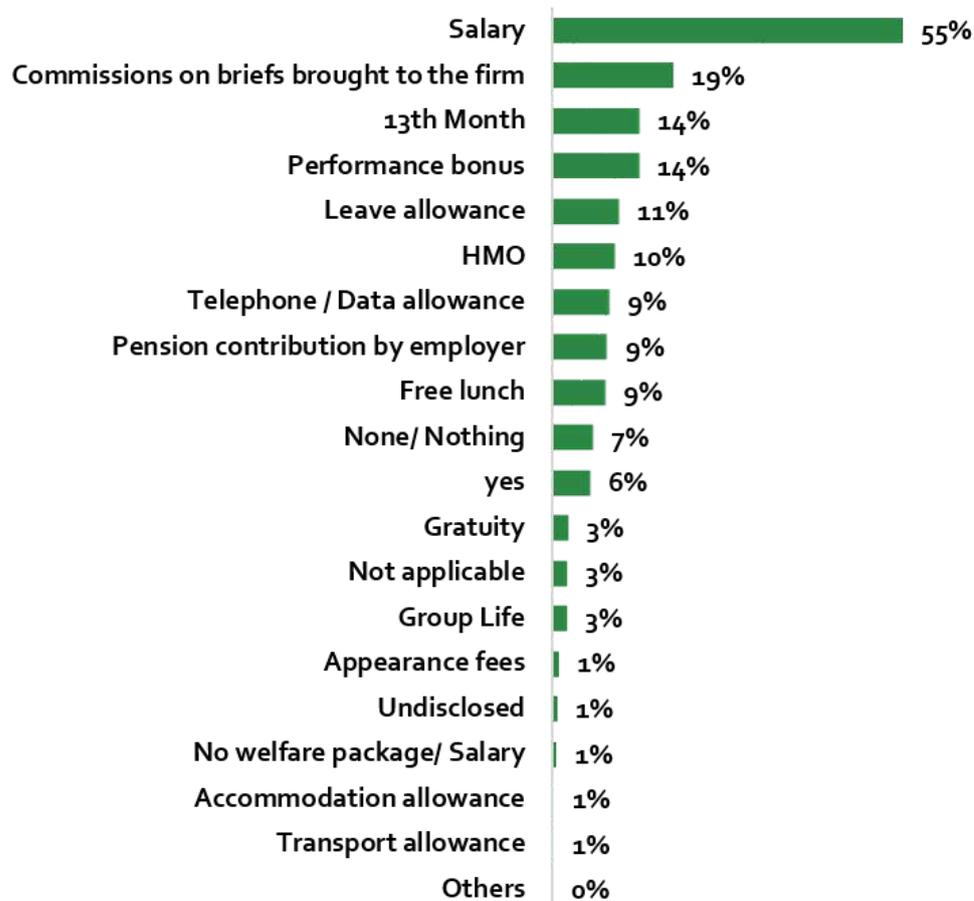
Do your emoluments include any or all the following?



Including monthly salary, it was discovered that other significant emolument firms give lawyers are commission on briefs brought to the company (25%), pension contribution by the employer (17%), and 13th-month salary (17%).

## MOST BENEFICIAL WELFARE PACKAGE

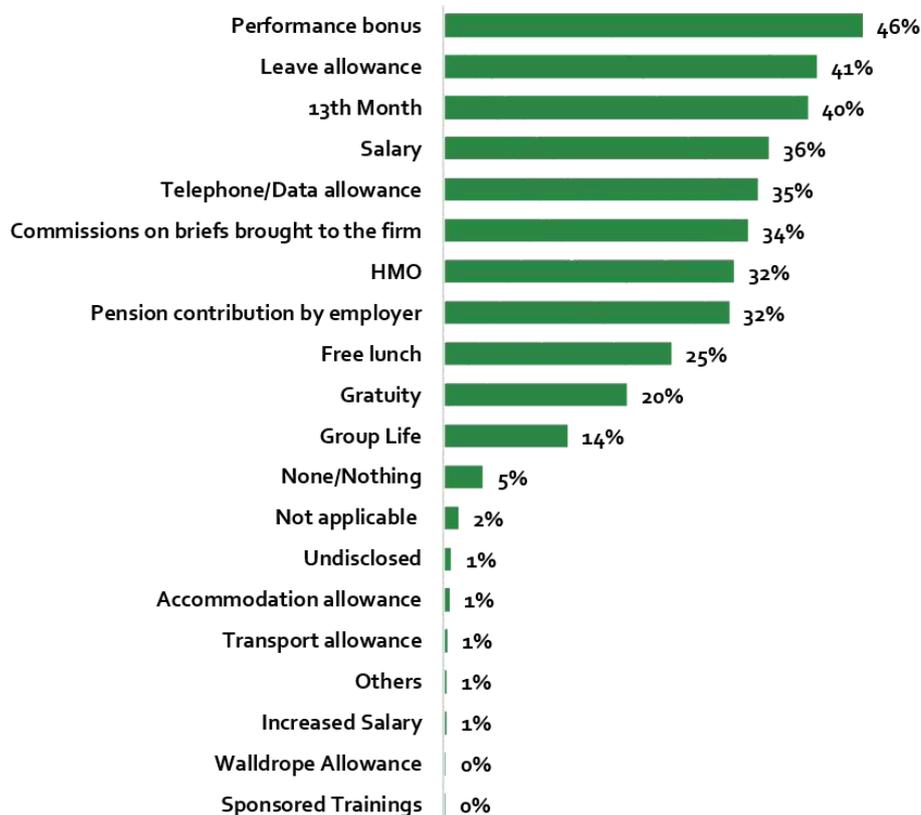
What remuneration or welfare package provided by your employer have you found most beneficial?(Top 20)



However, when asked to list the most beneficial welfare package provided by their employer, (55%) of lawyers, selected salary, (19%) chose commission on briefs brought to the firm, while (14%) were for 13th month and performance bonus, 11% for leave allowance.

## PREFERRED WELFARE PACKAGE

What remuneration or welfare package will you want your employer to provide? (Top 20)



Lawyers across the nation, mentioned performance bonus (46%), Leave allowance (41%), 13-months salary (40%), Salary (36%) & Telephone/Data allowance (35%) as the top five most preferred welfare package they would like to have from their employer. This was fairly consistent across years of practices and regions.

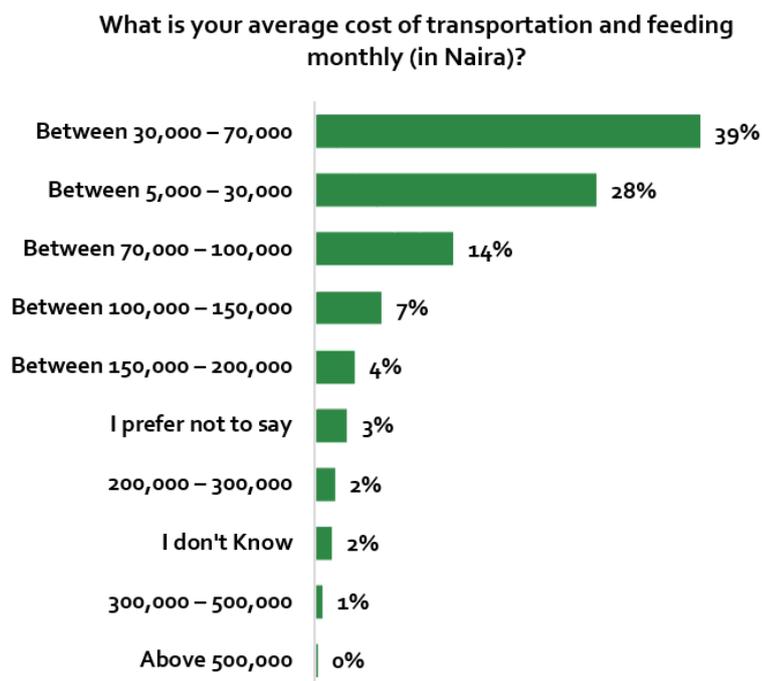
## COST OF LIVING

Monthly or annual expenditure and cost of living certainly impact the lawyer's view on what constitutes a suitable remuneration. From the recent remuneration assessment conducted for the Lagos NBA chapter by VIISAUS, it was discovered that a major factor employees gave as a reason for their dissatisfaction with their remuneration is that 'Pay does not cover living expenses'.

In 2021, the prices of most elements that determine the cost of living has been on a steady increase in Nigeria, according to the National Bureau of Statistics. To establish a fair idea of lawyers current cost of living, the following issues were explored:

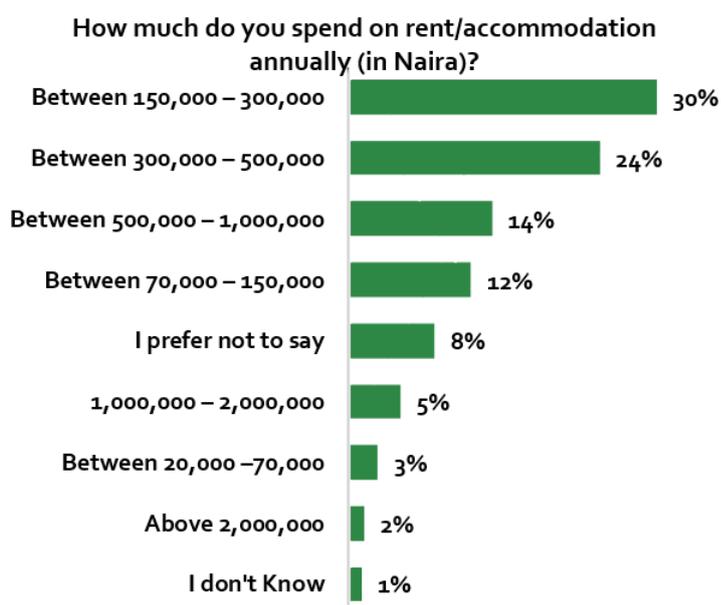
## COST OF FEEDING & TRANSPORTATION

Feeding and transportation are some basic needs every worker has. They are also a strong point of focus when considering the value of remunerations. If the price of food and transportation increases, the value of remuneration drops. Nigeria continues to suffer continuous inflation, increasing the cost of living without a corresponding increase in worker's remuneration.



From the study, it was established that most lawyers (67%), spend an aggregate of 5,000 - 70,000 naira monthly on feeding and transportation, while the others as stated include; 70,000 - 100,000 (14%), 100,000 - 150,000 (7%), 150,000-200,000 (4%), 200,000 - 300,000 (2%) & 300,000 - 500,000 (1%).

## ACCOMODATION



Most lawyers (30%) spend 150,000-300,000 annually on rent/accommodation, while 24% of lawyers spend between 300,000 - 500,000, 12% spend between 70,000 - 150,000, and 14% spend up to 500,000 - 1 million naira annually. A handful of lawyers (5%) and (2%) spend from 1 million - 2 million naira and 2 million naira and above, respectively.

Responses by Yoc (top 4 Boxes)	Ratings			
	0-4	5-9	10-24	25 and above
	%	%	%	%
Between 150,000 – 300,000	<b>33</b>	<b>36</b>	23	9
Between 300,000 – 500,000	21	25	<b>27</b>	<b>20</b>
Between 500,000 – 1,000,000	7	12	21	<b>20</b>
Between 70,000 – 150,000	20	13	5	6

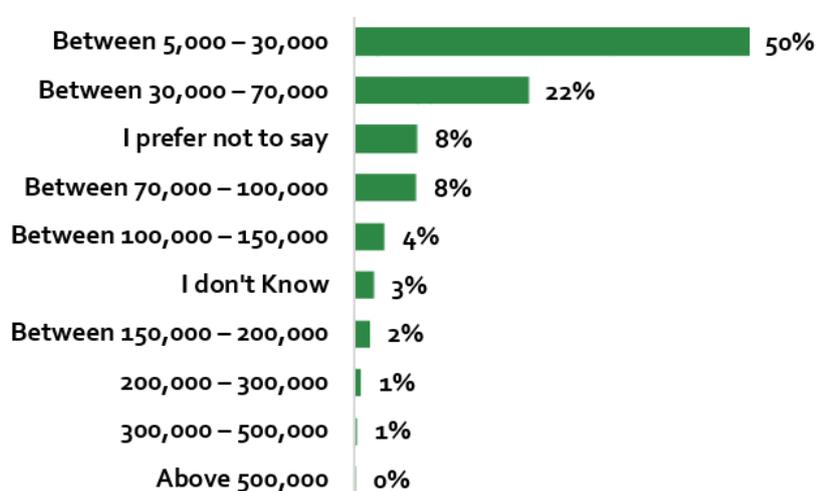
Further analysis by YOC shows that most young lawyers (0-4 & 5-9 YOC) spend between 150,000 - 300,000 on accommodation annually, while most senior lawyers (10-24 & 25+ YOC) spend between 300,000 - 1,000,000 naira annually in this regard, as shown in the table above.

Responses by Regions (top 4 Boxes)	Ratings					
	NC	NE	NW	SE	SS	SW
	%	%	%	%	%	%
Between 150,000 – 300,000	28	35	38	38	36	24
Between 300,000 – 500,000	22	16	15	29	28	25
Between 500,000 – 1,000,000	15	3	4	8	11	19
Between 20,000 – 70,000	3	8	6	2	2	3

Across the regions, it was obvious that most lawyers within North-East, North-West, South-East & South-South spend between 150,000 - 300,000 naira on accommodation annually, while more in South-West spend within 300,000 - 500,000 annually on accommodation.

## HEALTH CARE & UTILITY EXPENSES

How much do you spend on Health care and utilities monthly (in Naira)?



Utility expenses in this study were explained to the respondents to mean either electricity, water, cable, phone/data, waste bills, or any other utility bills required for daily upkeep. When lawyers were asked how much they spend on utility bills and health care monthly, a majority (50%) of lawyers said they spend between 5,000 - 30,000 on utilities and healthcare monthly, whereas 22% said they spend between 30,000 - 70,000 monthly, while 8% and 4% said they spend between 70,000 - 100,000 and 100,000 - 150,000 respectively. An insignificant number (1%) spend between 200,000 - 30,000 on utility and healthcare monthly. Please note that in the chart above, respondents who mentioned 'I don't know', said this because they live with family.

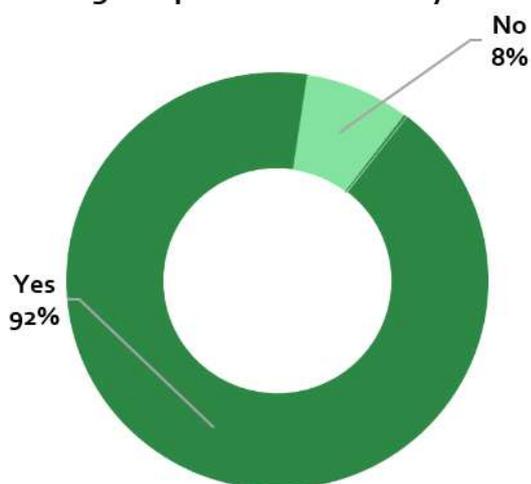
Responses by Regions (top 4 Boxes)	Ratings					
	NC	NE	NW	SE	SS	SW
	%	%	%	%	%	%
Between 5,000 – 30,000	53	58	57	48	48	49
Between 30,000 – 70,000	21	19	21	22	22	24
Between 70,000 – 100,000	8	3	6	11	8	8
Between 100,000 – 150,000	4	3	3	7	4	4

Consistent with what was obtained at the national level, most lawyers across the regions spend between 5,000 to 30,000 on health and utility expenses.

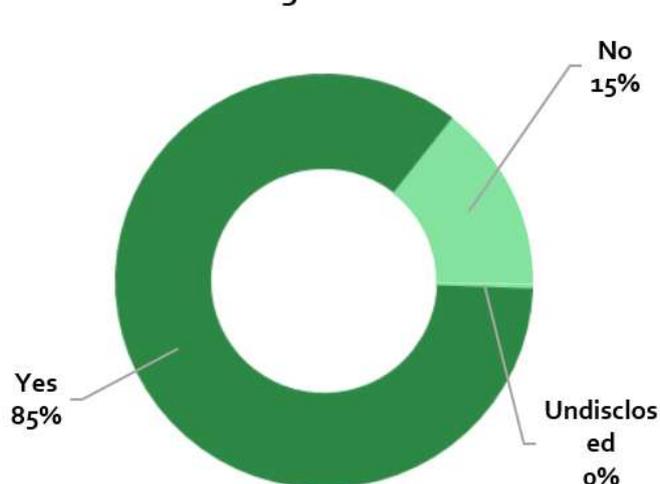
Responses by Yoc (top 4 Boxes)	Ratings			
	0-4	5-9	10-24	25 and above
	%	%	%	%
Between 5,000 – 30,000	65	54	38	24
Between 30,000 – 70,000	20	24	24	16
Between 70,000 – 100,000	4	8	11	15
Between 100,000 – 150,000	2	4	7	5

## PRESCRIBING & ENFORCING A MINIMUM STANDARD WAGE FOR LAWYERS

Should a minimum or standard wage be prescribed for Lawyers?



Should the NBA enforce minimum or standard wage with sanctions?

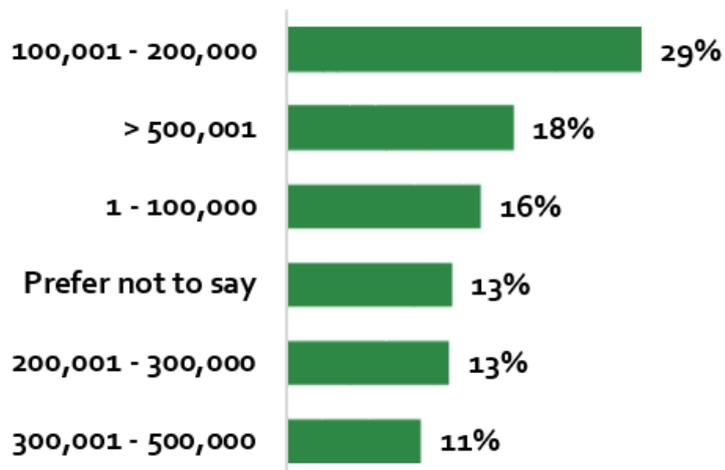


A majority (92%) of lawyers across the nation were completely in support of prescribing a minimum or standard wage for lawyers by the association (NBA), while only 8% of Lawyers disagree.

Not only are lawyers yearning for a prescribed minimum or standard wage, most lawyers (85%), still want the association to enforce some form of sanctions to firms/organizations that do not abide by the prescribed minimum wage.

## SUGGESTED MONTHLY REMUNERATION FOR LAWYERS

Given the economic circumstance in your location, what will you consider a fair monthly remuneration from your current employer? (specify an amount)



When lawyers were asked what they think should be an ideal range of salary, given the current economic situation, 71% of them mentioned between 100,000 to 500,000 naira. Except for some slight variation in ranges, this was also the situation across regions, as shown in the table below:

Responses by Regions (top 5 Boxes)	Ratings					
	NC	NE	NW	SE	SS	SW
	%	%	%	%	%	%
> 500,001	18	18	16	19	21	18
1 - 100,000	18	24	28	15	18	11
100,001 - 200,000	31	30	31	29	28	27
200,001 - 300,000	13	11	9	13	10	16
300,001 - 500,000	8	3	5	10	9	15

Responses by Yoc (top 5 Boxes)	0-4	10-24	25 and above	5-9
	%	%	%	%
> 500,001	17	19	28	18
1 - 100,000	24	10	11	16
100,001 - 200,000	36	20	17	33
200,001 - 300,000	11	14	5	15
300,001 - 500,000	5	18	14	8

Responses from 2 major states in each region (Top 5 Boxes)	SW		NC		SS		SE		NW		NE	
	Lagos	Ekiti	FCT	Kwara	Rivers	Edo	Anambra	Enugu	Kano	Sokoto	Bauchi	Taraba
	%	%	%	%	%	%	%	%	%	%	%	%
100,000 – 200,000	29	13	32	30	28	29	26	42	28	38	21	20
300,001 – 500,000	19	5	10	2	11	9	8	8	7	7	0	4
200,001 – 300,000	18	5	16	6	13	4	14	15	6	7	14	8
> 500,001	16	29	18	15	20	21	21	16	17	13	25	24
1 – 100,000	4	24	9	40	11	17	17	10	31	27	11	36

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## **RECOMMENDED SANCTIONS FOR REGULATING LAWYERS REMUNERATION**

When asked if lawyers have any suggestions or recommendations for the NBA to enforce sanctions and regulate the remuneration of lawyers. Below are some notable suggestions from Lawyers:

### **EMPLOYEES**

- The law firms found wanting should be sanctioned by the LPDC
- Law firms that fail to comply should be blacklisted
- Amend the Laws such that the NBA can regulate lawyers and Law Firms
- Audit Law firms, create, and support unions for junior staff protection
- Any law firm that cannot meet the prescribed minimum wage should be deregistered by the NBA
- Lawyers who aspire for elevation as judges or silk must be compelled to show evidence of compliance
- NBA should ensure they get feedback from young lawyers for remuneration paid

## EMPLOYERS

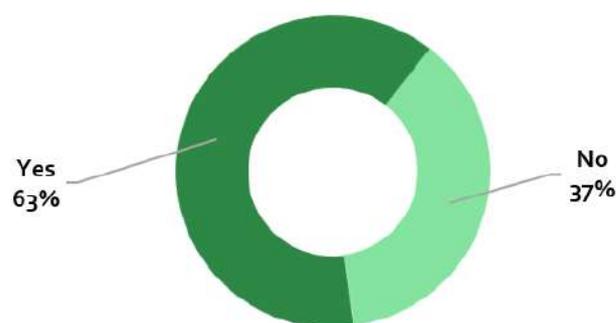
- Mandating a minimum wage will lead to worse unemployment among junior lawyers
- Grade firms according to their revenues
- NBA should set a minimum wage according to States, working with NBS data on income, but should at least make the minimum double the national minimum wage

## LEGAL FEES: LEGISLATION, IMPLEMENTATION, AND COMPLIANCE.

To ascertain if legal fees and the factors that affect them (Legislation, Scale of fees, Compliance of firms, Standardization, and Billing methods) influence lawyers' remuneration, the VIISAUS team asked respondents if they were aware of legislation regulating legal fees, their opinion on the legislation, the compliance of law firms to the legislation, imposing a scale and standardized & billing methods currently employed in determining legal fees. See details below:

### AWARENESS OF AND OPINION ON LEGAL FEES LEGISLATION

Are you aware of the existence of any legislation in Nigeria regulating fees chargeable by lawyers for legal services?

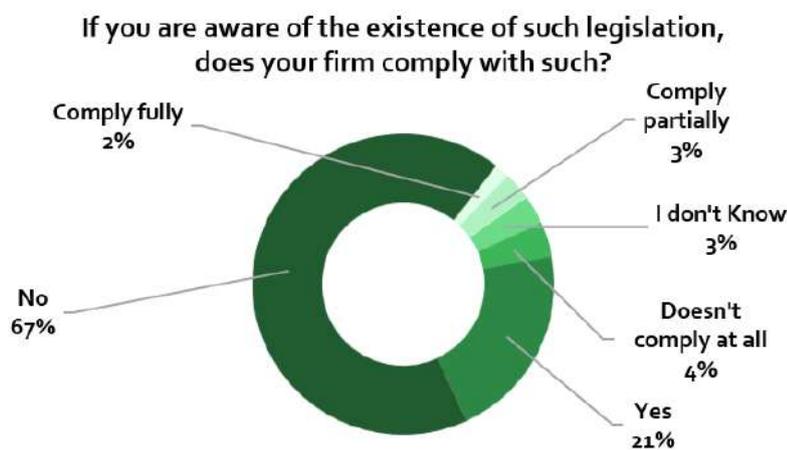


From the study, it was discovered that 63% of lawyers are aware of legislation regulating legal fees in Nigeria, while 37% of lawyers are not completely aware.

Responses by Regions	Ratings					
	NC	NE	NW	SE	SS	SW
	%	%	%	%	%	%
Yes	57	47	56	66	63	67
No	43	51	44	34	37	33

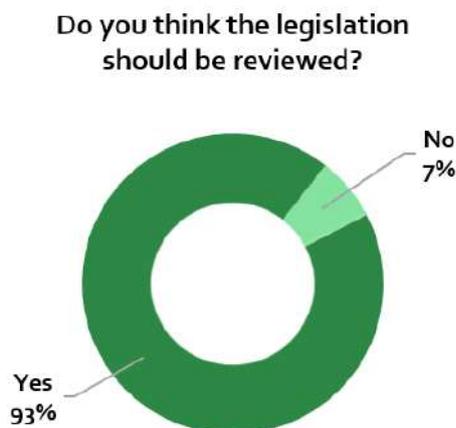
Further analysis revealed that more lawyers in South-West (67%), South East (66%), and South-South (63%) regions are aware of legislation regulating legal fees for lawyers in Nigeria.

### COMPLIANCE WITH LEGAL FEES LEGISLATION BY FIRM



Despite a significant awareness level of legal fees legislation (63%), (67%) of respondents mentioned that their firm doesn't follow the legislation. This was the trend across the regions.

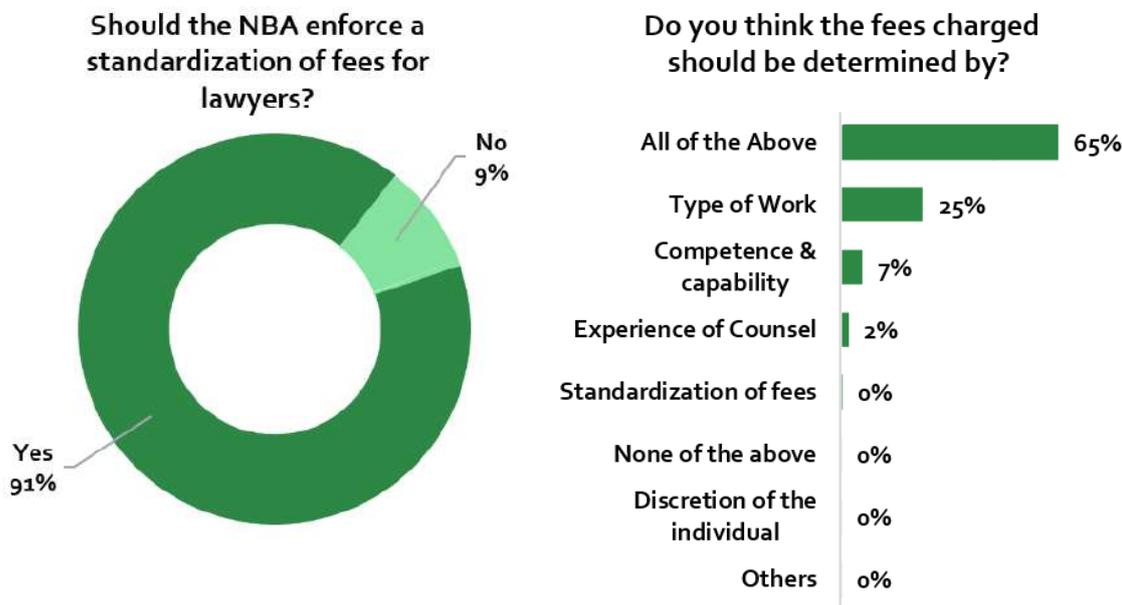
### REVIEW OF LEGISLATION BY NBA



When lawyers were asked if they thought the legislation needed to be reviewed. A majority (93%) of them said the legislation needs to be reviewed and 7% of lawyers said otherwise.

Across the regions and YOC, majority of lawyers support reviewing the legislation.

## STANDARDIZATION OF LEGAL FEES

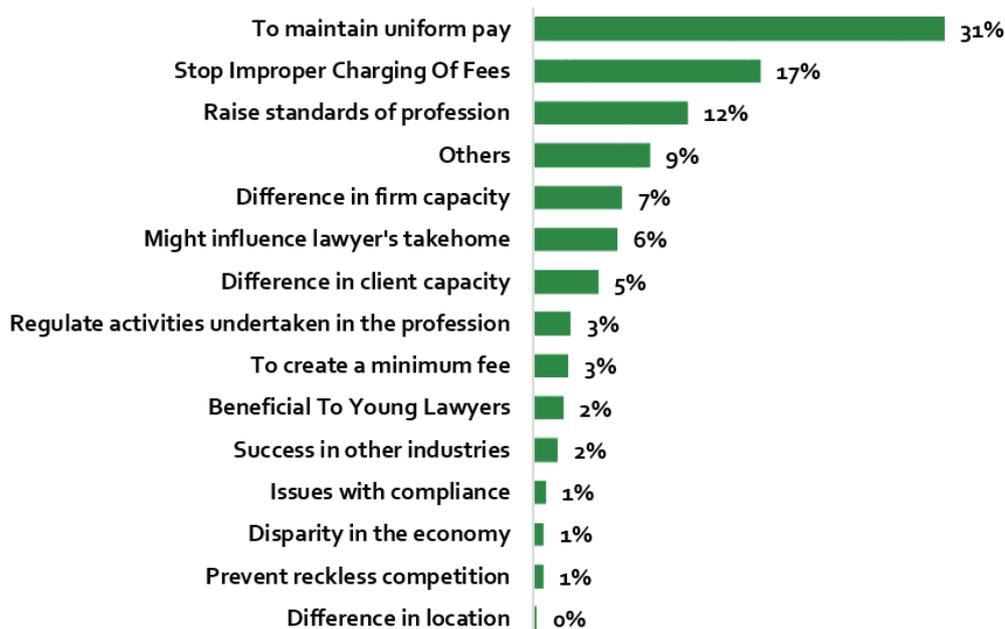


Most lawyers (91%), think that the legal profession should have a scale of fees for various services and only a few (9%) think there is no need for a scale of legal fees. The team went ahead to ask lawyers what they thought should determine the scale of fees, 65% said type of work, competence & capability and experience of counsel should all be factored in, 25% said the scale of fees should be determined by only the type of work, 7% said the scale of fees should be determined by competence and compatibility, while 2% said the scale of fees should be determined by experience of counsel.

## REASON FOR SCALING LEGAL FEES

Respondents who agreed that there should be a uniform scale of fees were asked to state their reasons for desiring a scale of fees for legal services. 31% of respondents said they wanted it for uniform pay, 17% of respondents said a scale of fees would stop improper charging of fees. 12% of respondents said it would raise the standards of the profession. 6% of respondents said it might influence lawyers' remuneration. 3% of respondents said that a scale of fees will regulate activities in the profession and 2% of respondents indicated that it would be beneficial to young lawyers:

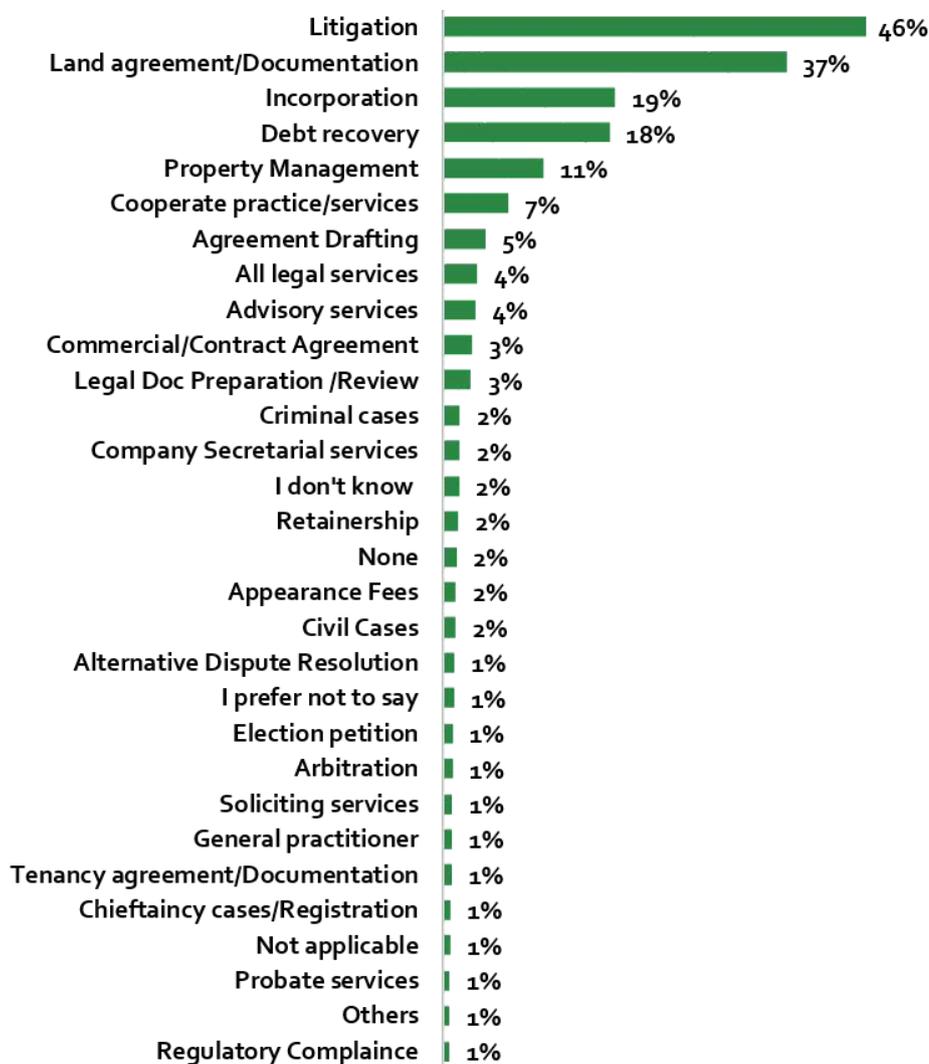
State your reasons for why you think the legal profession should have a scale of fees for various services?



## FREQUENT FEE-EARNING SERVICES

When asked what is the most frequent fee-earning services their firm offers, the majority response was litigation (46%) and land agreements/documentation (37%). Furthermore, the data set had an almost even split of Incorporation (19%) and debt recovery (18%), Property management (11%), and corporate practice/service (7%), as shown in the chart below:

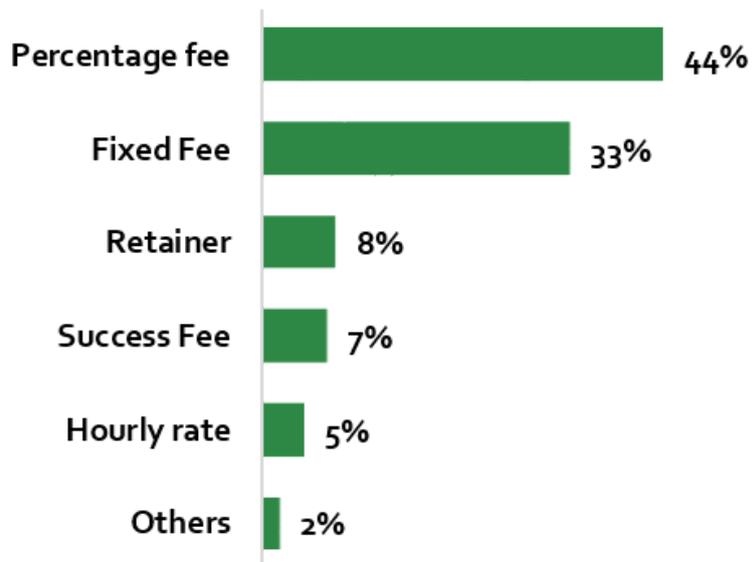
What's the most frequent fee earning services your Firm offers?(Top 30)



## BILLING METHODS FOR LEGAL SERVICES

To ascertain the influence of billing methods on remuneration, the respondents were asked about their firm's/personal choice of billing method and average rates for legal services. 44% said they use a percentage fee method, 33% use a fixed fee method, 8% use a retainer fee method, 7% use a success fee method, and 5% use hourly rates:

Please state the billing method you apply for each of the services you listed above and the average rates?



## COMPLIANCE AND SANCTIONS SUGGESTIONS

The respondents were asked to suggest ways of ensuring that the NBA adopts and implements compliance with the agreed proposed scale of fees. See below verbatim response from the respondents:

### EMPLOYEES

- Set up a monitoring and enforcement team
- A committee should be set up in every NBA branch which will review and "audit" firms and organizations on compliance with the proposed scale of fees
- A law should be enacted for effective regulation
- A minimum wage for lawyers per call year should be added. To be revised into the guiding regulations for lawyers on what is an acceptable practice
- A scale of fees should be published, and all law firms should be directed to display such scales on their reception wall

### EMPLOYERS

- A graded remuneration system should be set and enforced by the NBA
- Different cultural orientations should be considered. So employers should be well re-oriented through rigorous training and awareness
- A legal framework should be developed for whistle-blowing and for strict monitoring of compliance with the scale of charges and for discipline
- It should be regulated without sanctions. Many law offices cannot function if sanctions are put in place
- Legislate and enforce documentation of payment for lawyers

## RECOMENDATIONS

Undoubtedly, lawyers experiencing job satisfaction will benefit the firm through a reduced turnover rate and increased productivity. From our findings, we have compiled the key recommendations and insights that could help improve lawyers working conditions and practices within the country:

- Make it compulsory that firms with practicing lawyers are part of the association; that they uphold the rules and regulations of the association, and also from time to time share their documented plans towards improving the standards and lives of practicing lawyers within the firm
- As non-financial benefits are difficult to mandate, the Association should consider specifying terms of best practice document and give public recognition to firms that meet and exceed the expectations written therein. Performance bonus, leave allowance, commissions on briefs and 13th month salary, these non-financial benefits go a long way in improving job satisfaction
- The committee may consider prescribing and enforcing a standard minimum wage for lawyers within the country. Should the committee wish to further this agenda, a national weighting may also be considered to consider regional peculiarities to costs of living (rent allowance's, salary increases, transportation scheme's etc
- As a matter of urgency, the association should institute committees to review existing legislations and standardize legal fees as well as make compliance mandatory with a penalty for non-compliance
- To encourage compliance, the Committee should specify fines for different levels of non-compliance, taking the firm's revenue into consideration. Sanctions like blacklisting may be considered for law firms who repeatedly refuse to adhere to the minimum wage regulation, despite being buoyant

# APPENDIX

## REASON FOR SCALING LEGAL FEES

***“A control of the amount chargeable for legal services will represent the legal practice in a more respectable manner before the society. It would help to boost the amount receivable by lawyers in our services since the undue reduction of chargeable amount because of the competition shall be significantly be minimized”***

***‘0 - 4’ YOC [Self Employed]***

***“It will help guide lawyers while billing and helps achieve an average uniform rate”***

***‘0 - 4’ YOC [Employee]***

***“It will make new lawyers to know the particular amount to charge for every service without been confused”***

***‘0 - 4’ YOC [Employer]***

***“Having a scale of fees will improve the earnings of lawyers if properly monitored and enforced. This will enable legal employers pay better wages to their employees”***

***‘5 - 9’ YOC [Employee]***

***“Because it will ensure uniform earnings for lawyers in regards to services rendered, instead of one lawyer charging a certain sum, and another charging something way cheaper. Clients belittle lawyers based on this ”***

***‘5 - 9’ YOC [Employer]***

***“Because, I believe legal fees should be fairly ascertainable to benefit both lawyers and clients, and to create a certain level of equilibrium amongst colleagues ”***

***‘10- 24’ YOC [Employee]***

***“Apart from improving the quality of services, having a uniform rate card would sustain the dignity of all legal practitioners and ensure that some lawyers do not run the profession aground by charging ludicrously low fees”***

***‘10 - 24’ YOC [Employee]***

***“Have a scale of fees will reduce the bastardization of our charges and will allow for unity of purpose. Clients will no longer be jumping Helter skelter knowing fully when that the price of service rendered is uniform ”***

***‘10 - 24’ YOC [Employer]***

***“Having a scale of fees for various services and regulating same will eliminate unhealthy competition among lawyers; prevent client prostitution; introduce clarity and certainty into the profession; and generally elevate the status of the profession in the eyes of the public. It is the only way the profession can move forward in current Nigeria”***

***‘25 and above’ YOC [Employee]***

***“it will give more value to our work to the clientele, more dignity, and respect. it will also aid healthy competition in the legal business”***

‘25 and above’ YOC [Employer]

## **SUGGESTIONS ON STANDARDIZATION OF LEGAL FEE**

***“The NBA should consider the financial capacity of the Nigerian populace, given the minor economic slump and inflation caused by the COVID-19 pandemic ”***

‘0 - 4’ YOC [Employee]

***“A minimum fee should be prescribed, with room for increase according to the capability of the client and lawyer”***

‘0 - 4’ YOC [Employee]

***“At least the minimum fee should be made compulsory”***

‘0 - 4’ YOC [Employer]

***“Fees charged should be uniform and made enforceable. And any Lawyer charged lesser than the prescribed fees should punished by a minimum of 3 years’ suspension from practice. ”***

‘10 - 24’ YOC [Employer]

***“There should be a minimum fee chargeable for all aspects of service provided by a lawyer. ”***

‘25 and above’ YOC [Employee]

***“The Branches should be made signatories to legal documents for a fee to be paid by the Lawyer. The Branch Chairmen must only endorse transactions with proof of the payment of the standard fees. In this regard, NBA should push for the amendment of laws like the Land Instrument Registration Act/Laws, to include endorsement of documents by the local branches, upon confirmation of payment of the standard fees ”***

‘10 - 24’ YOC [Employer]

***“NBA fees when regulated should be given wide publicity for the public to also know before hand before approaching a lawyer for any service ”***

‘25 and above’ YOC [Employer]

***“Regulations must be established for there to be a central clearinghouse at branch levels which will be endorsing and validating the fees payable by clients for all non-contentious work performed by lawyers in Nigeria ”***

*‘5 - 9’ YOC [Employer]*

***“Every Lawyer should be informed of this fees and penalty should be stated in cost for the set of lawyers that charge below the prescribed fees ”***

*‘5 - 9’ YOC [Employee]*

## **COMPLIANCE AND SANCTIONS SUGGESTIONS**

***“A committee should be set up in every NBA branch which will review and "audit" firms and organizations on compliance of the proposed scale of fees. ”***

*‘0 - 4 ’ YOC [Employer]*

***“By having a record of all Law firms in their area and mandating compliance reports annually from them”***

*‘0 - 4’ YOC [Employer]*

***“A scale of fees should be published and all law firms should be directed to display such scales on their reception wall, so that a client will know from the moment he walks in that for his service this will be the charge ”***

*‘10 - 24’ YOC [Employee]*

***“By insisting on lawyers using their firm's account for all payments. And a committee that should be in charge of monitoring court and taking records of lawyers handling all matters. Lawyers should be made to file proof of fees collected from client and an insurance percentage paid out of it into a designated account ”***

*‘10 - 24’ YOC [Employer]*

***“Through unscheduled visits to Law Firms and checks of payroll, interview of employees at each Firm, Whistleblower policy that enables Lawyer to report employer anonymously. Also, evidence of compliance should be filed quarterly with the NBA by Firms ”***

*‘10 - 24’ YOC [Employee]*

***“Lobbying for Nigerian Constitutional review, review of extant laws regulating Legal Practice and NBA Constitution”***

*‘25 and above’ YOC [Employee]*

***“A legal framework should be developed for whistle blowing and for strict monitoring of compliance with the scale of charges and for discipline. Both NBA and branches should be involved in the implementation of the scale”***

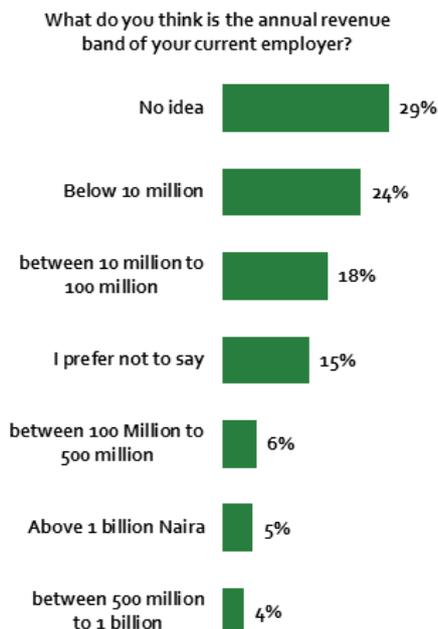
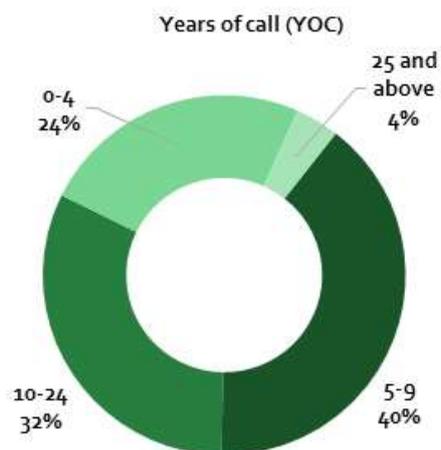
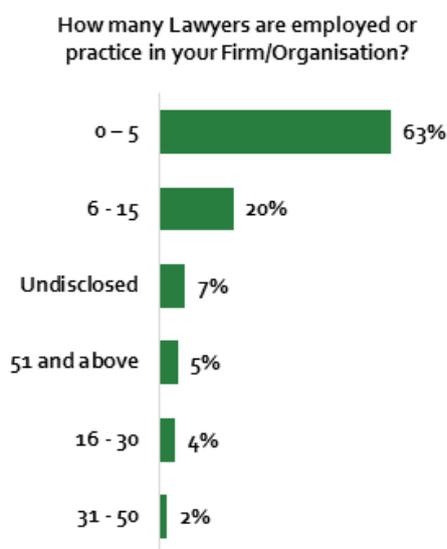
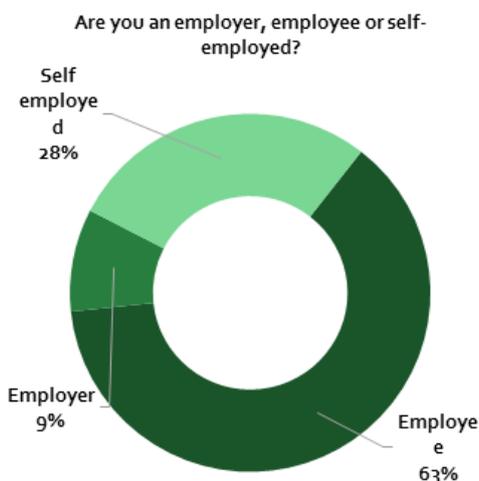
*‘25 and above’ YOC [Employer]*

**“A legislation to that effect that can enacted, with punishment provisions enshrined therein. A committee or body can be erected within the legislation tasked with the duty of investigating complaints and meting out sanction in case of default”**

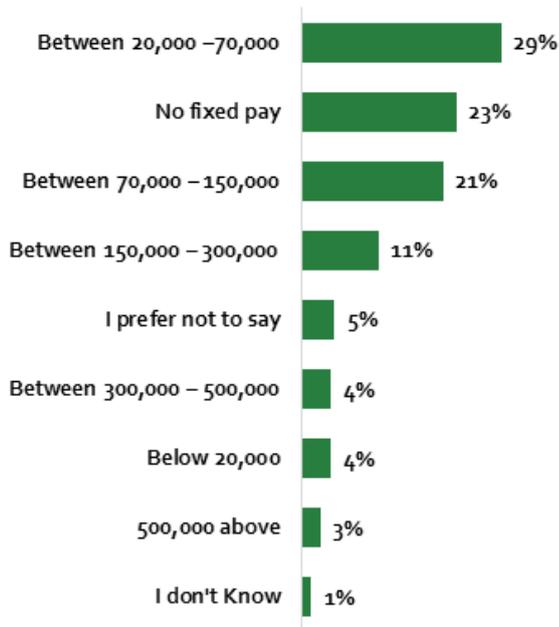
‘5 - 9’ YOC [Employee]

**“All processes must be franked and serialized, generated from the NBA Mobile App which must be stored and verifiable from a central database. The amount charged will be evidenced during endorsements in any court and compared against the entered amount on the court process (usually by a court registrar or any authorized lawyer stationed in court.) ”**

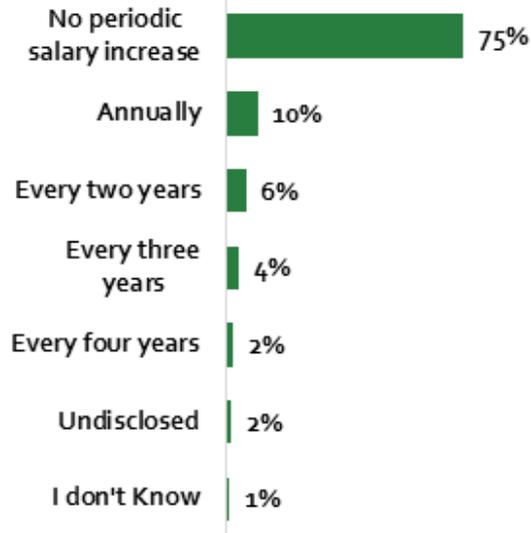
‘5 - 9’ YOC [Employer]



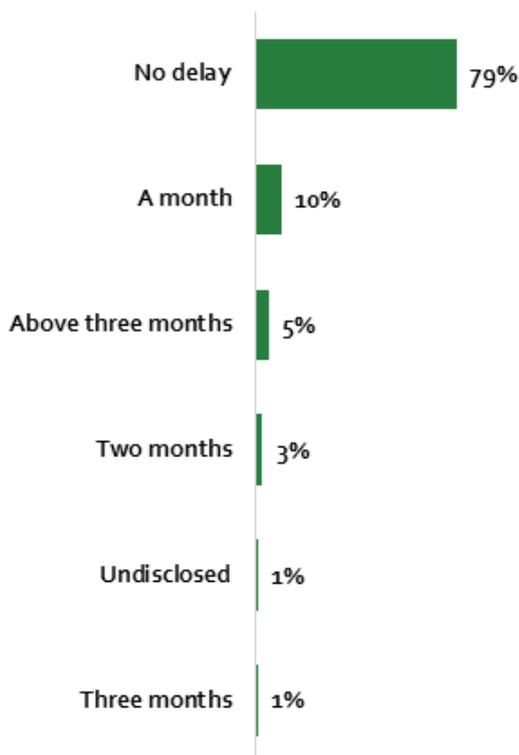
What is the range of your monthly remuneration (including reimbursable expenses and bonuses)?



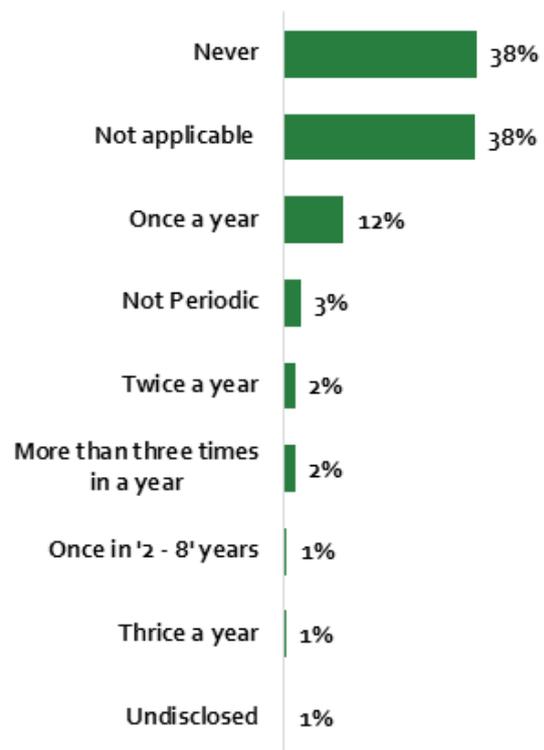
How frequent do you enjoy salary increases in your current employment?



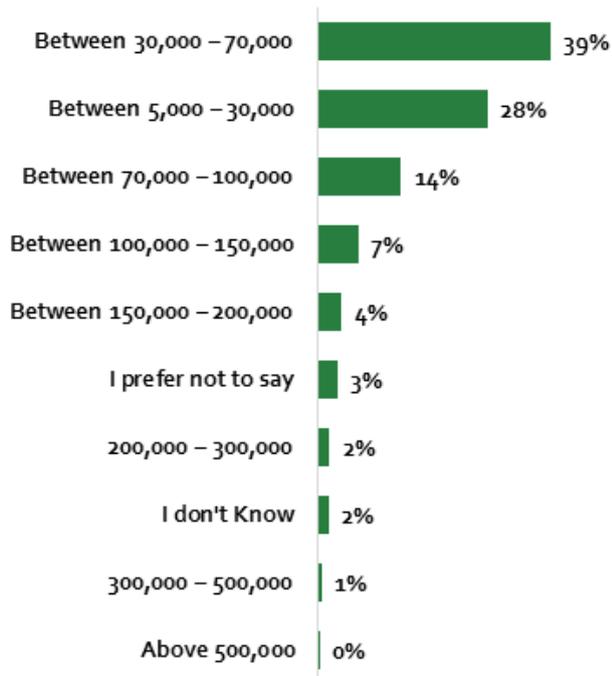
Do you experience delays in the payment of your monthly salary, and how long does this delay typically last?



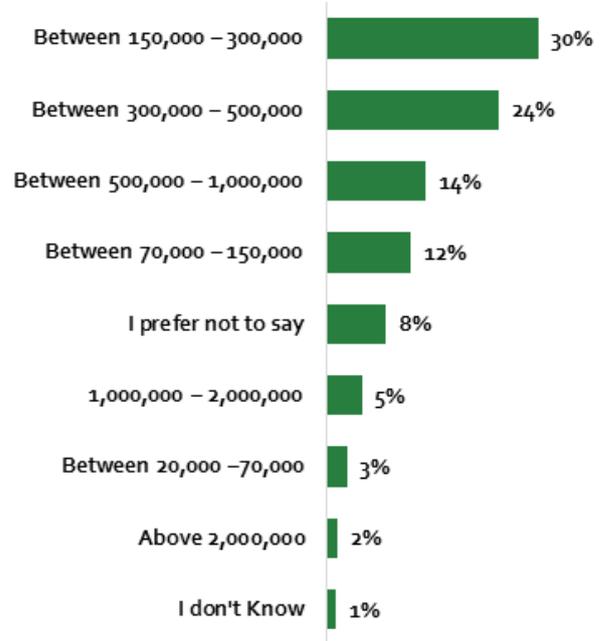
How often are you typically sponsored to attend trainings and developmental programs by your employer? (Top 10)



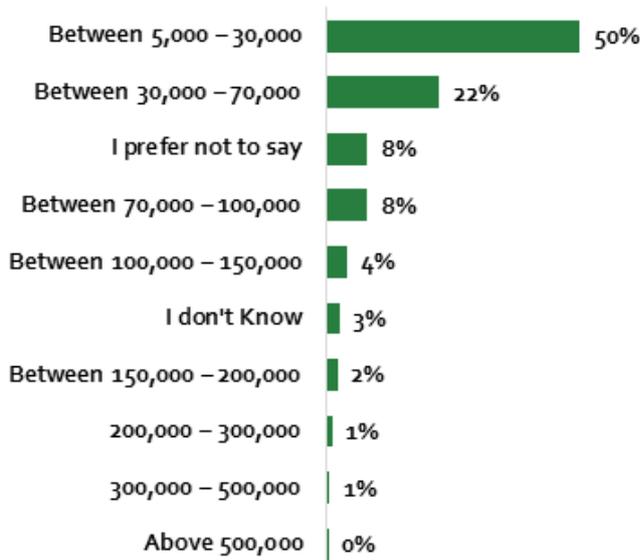
What is your average cost of transportation and feeding monthly (in Naira)?



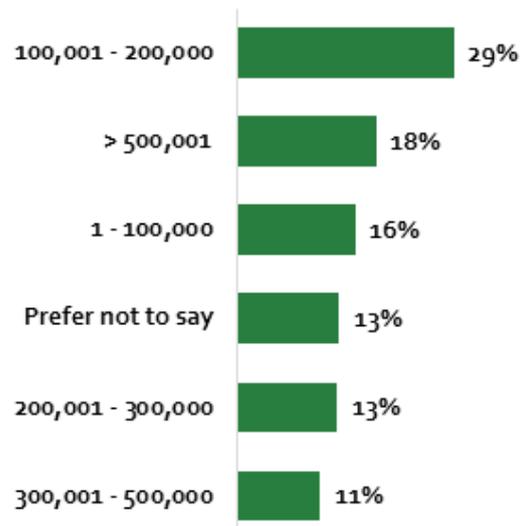
How much do you spend on rent/accommodation annually (in Naira)?



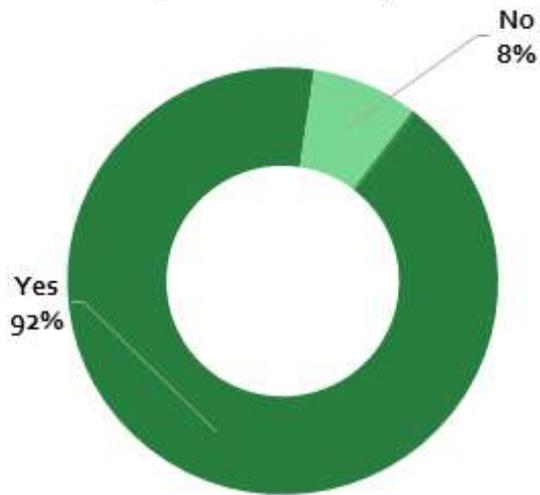
How much do you spend on Health care and utilities monthly (in Naira)?



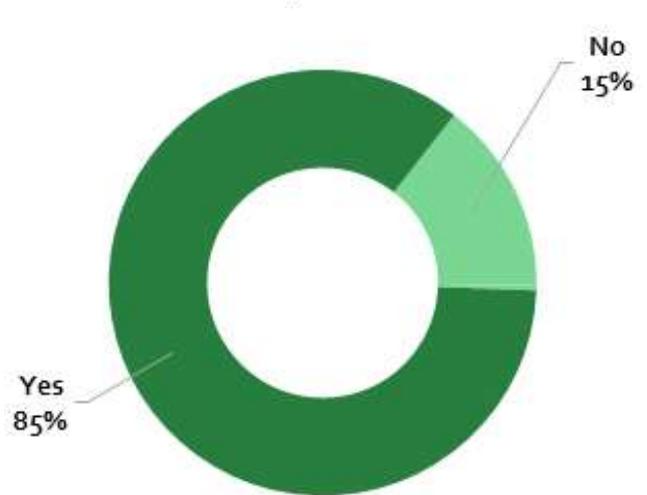
Given the economic circumstance in your location, what will you consider a fair monthly remuneration from your current employer? (specify an amount)



Should a minimum or standard wage be prescribed for Lawyers?



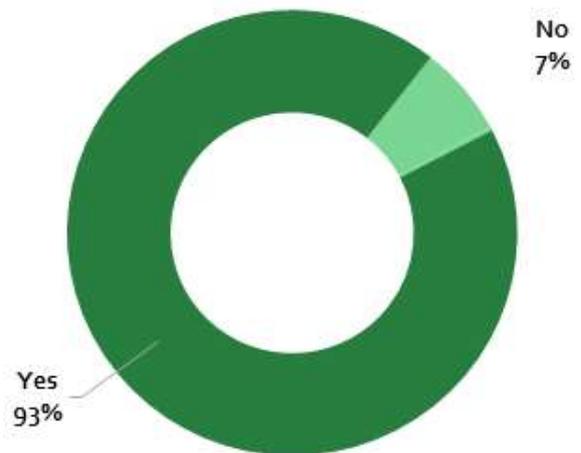
Should the NBA enforce minimum or standard wage with sanctions?



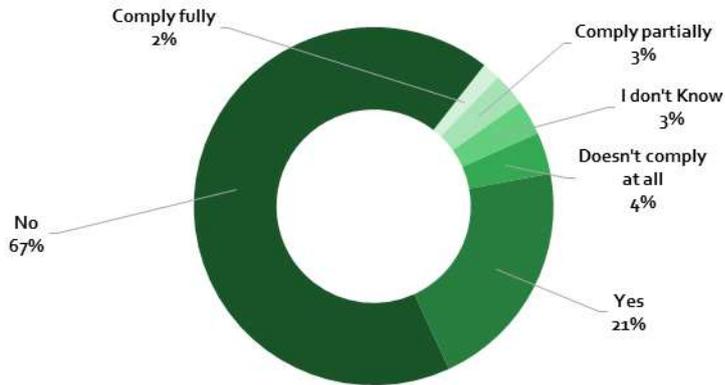
Are you aware of the existence of any legislation in Nigeria regulating fees chargeable by lawyers for legal services?



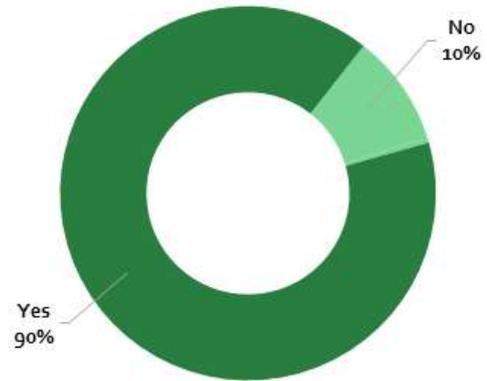
Do you think the legislation should be reviewed?



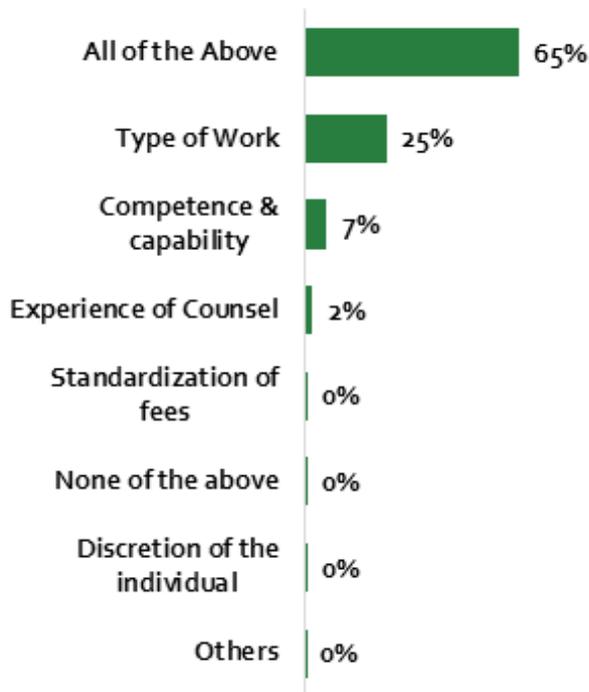
If you are aware of the existence of such legislation, does your firm comply with such?



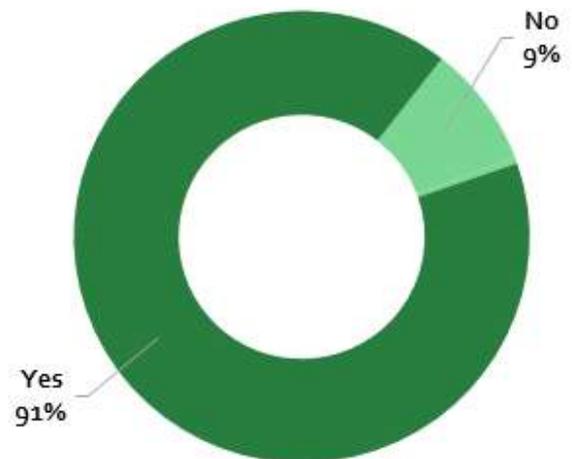
Do you think the legal profession should have a scale of fees for various services?



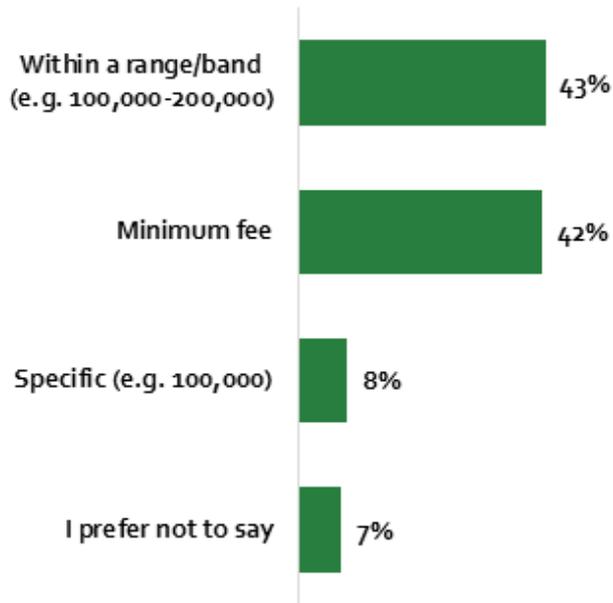
Do you think the fees charged should be determined by?



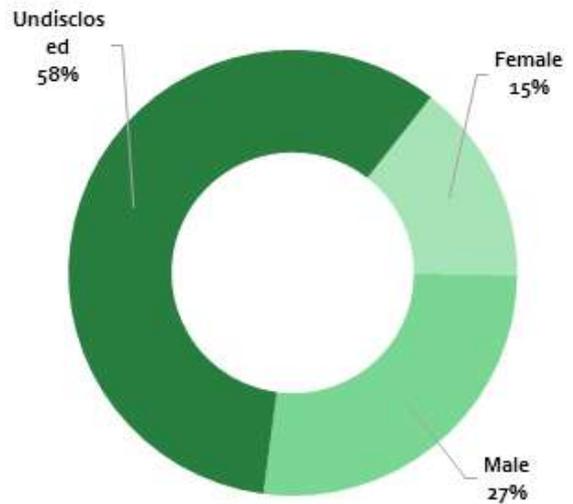
Should the NBA enforce a standardization of fees for lawyers?



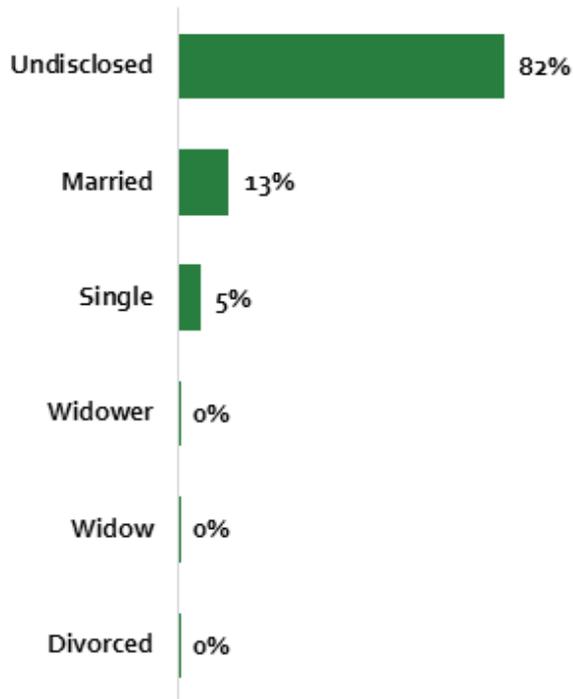
Do you think standardized legal fees should be:



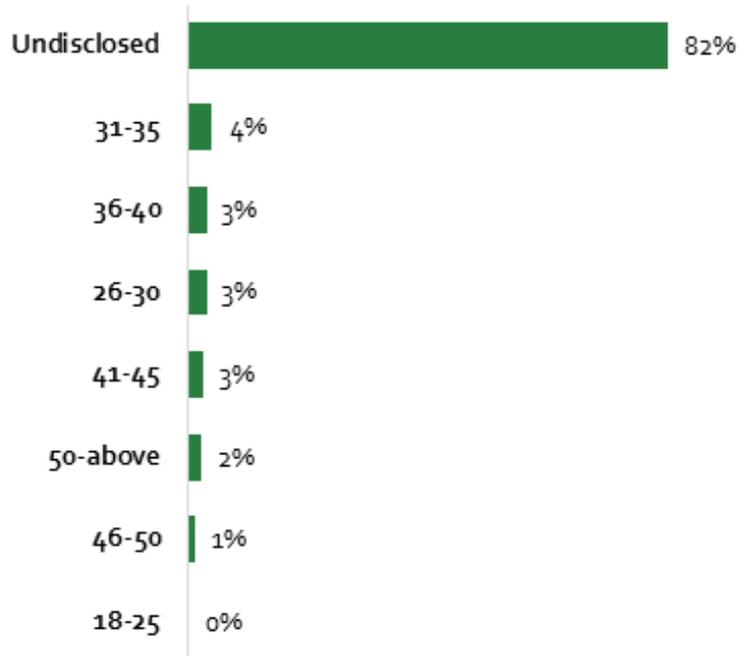
Gender



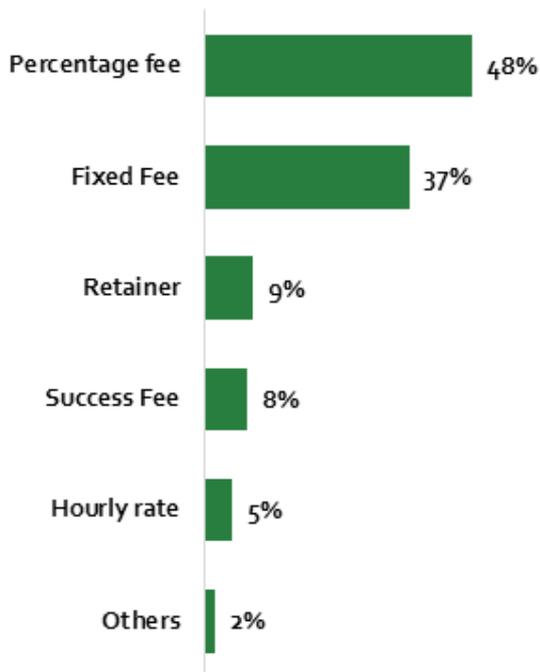
Marital Status



Age Group



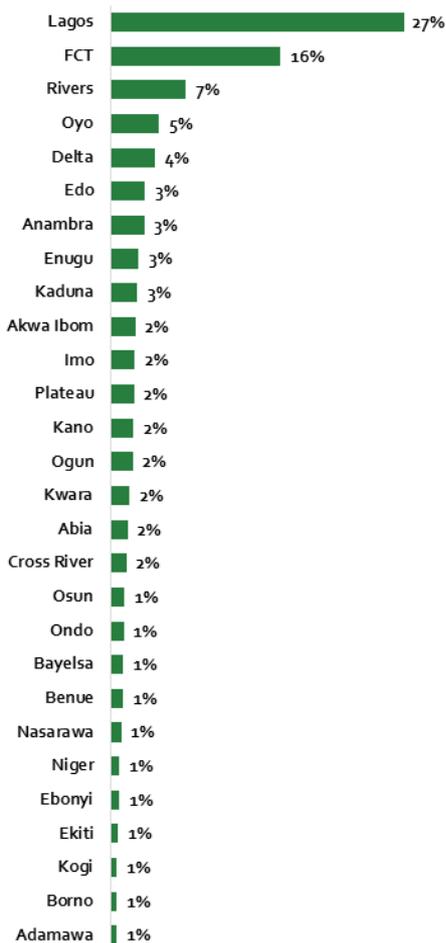
Please state the billing method you apply for each of the services you listed above and the average rates?



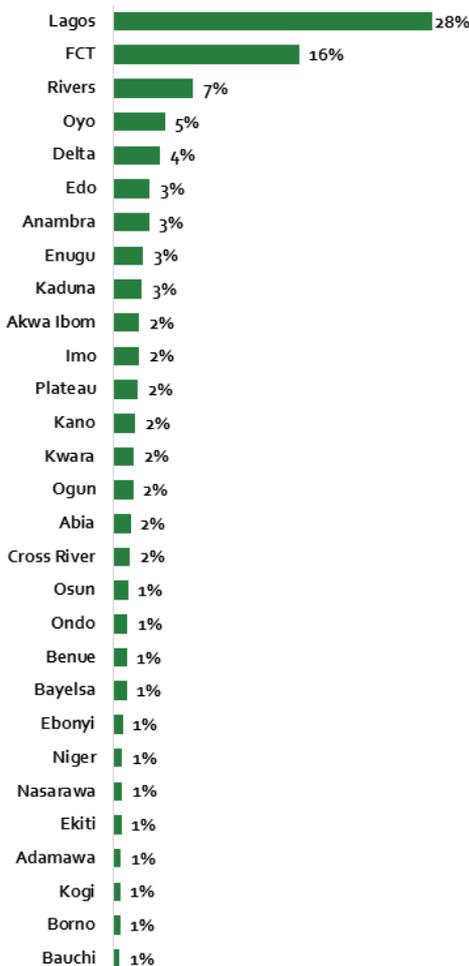
State your reasons for why you think the legal profession should have a scale of fees for various services?



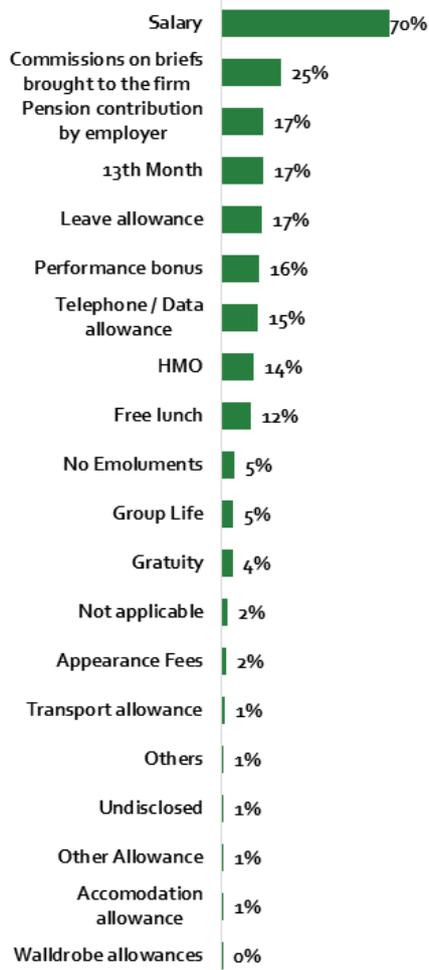
Please select the State you Live in (Top 35)



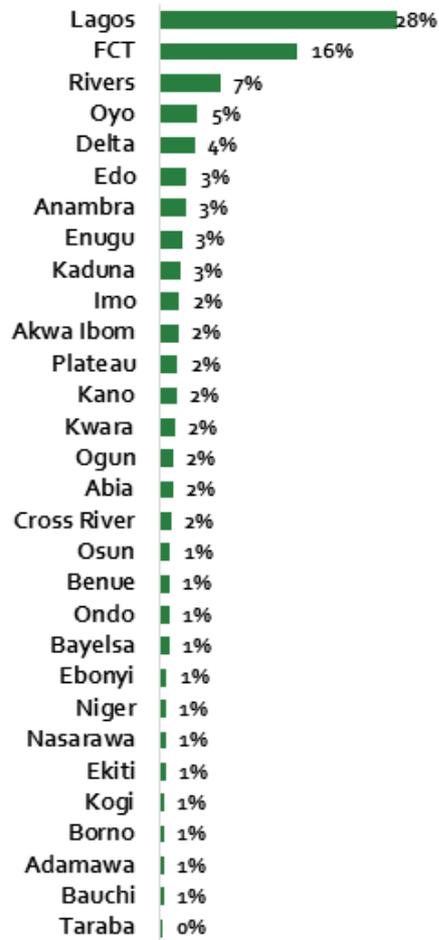
Please select the state where you work from (Top 30)



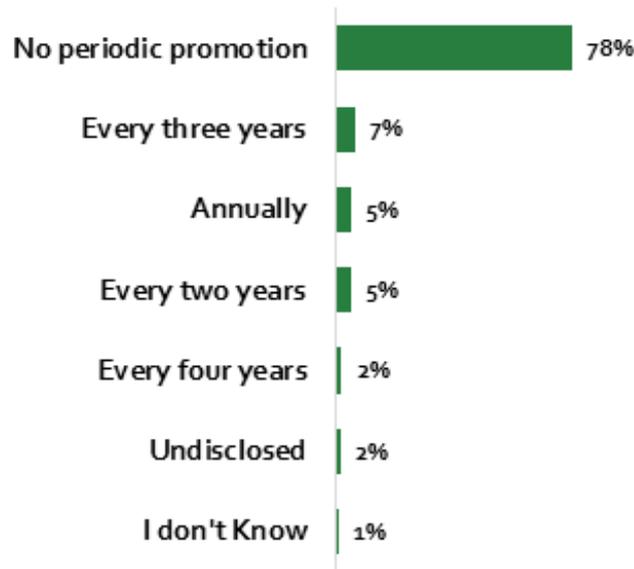
Do your emoluments include any or all the following? (Multi-select)



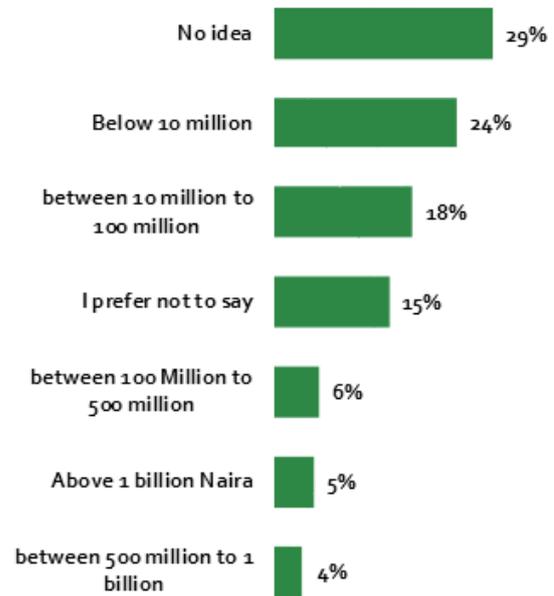
What State in Nigeria do you practice? (Top 30)



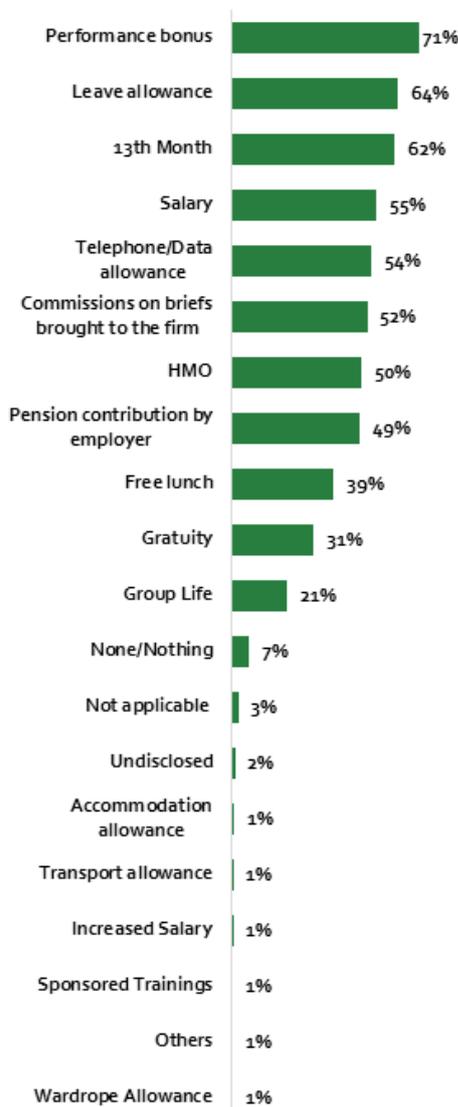
### How frequent do people get promoted in your organization?



### What do you think is the annual revenue band of your current employer?



### package will you want your employer to provide? (Multi-select) (Top 20)





# CONTACT US

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### NBA TOWNHALL POLL QUESTIONS

7 questions | 615 participated

**1. In your opinion, are lawyers currently being fairly paid for their services? (Single Choice) \***

612/615 (100%) answered

Yes	(34/612) 6%
No	(578/612) 94%

**2. In your opinion, what is the most significant limitation of the current scale of charges? (Single Choice) \***

612/615 (100%) answered

It is outdated	(295/612) 48%
It is complex to use	(45/612) 7%
It is limited in scope to only land transactions	(77/612) 13%
It is not being effectively enforced	(195/612) 32%

**3. What should be done to the current scale of charges? (Single Choice) \***

613/615 (100%) answered

Scrap it and allow the market determine the price of legal services	(134/613) 22%
Retain it as is	(8/613) 1%
Amend the amounts stated and expand its scope to other types of legal services	(415/613) 68%
Amend the amounts stated but continue to limit it to legal documentation	(56/613) 9%

**4. Should a scale of charges apply across Nigeria or vary depending on the geographical region/state? (Single Choice) \***

614/615 (100%) answered

Apply uniformly across Nigeria	(281/614) 46%
Vary according to geographical region/state	(333/614) 54%

**5. In your opinion, what is the most significant limitation to the ability of lawyers to charge for their services? (Single Choice) \***

614/615 (100%) answered

Clients do not properly understand the value of legal services	(188/614) 31%
Reduced economic activity and financial capacity of clients	(35/614) 6%
Undercutting by professional colleagues	(333/614) 54%
Inadequacy of the extant scale of charges	(58/614) 9%

**6. In your opinion, the greatest encroachment on the services of lawyers in practice comes from: (Single Choice) \***

615/615 (100%) answered

Accountants	(33/615) 5%
Estate Firms	(253/615) 41%





In-house Counsel

(74/615) 12%

**7. In your opinion, are there too many lawyers and not enough work to go round? (Single Choice) \***

615/615 (100%) answered

Yes

(183/615) 30%

No

(432/615) 70%

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