

An Analysis of the new Centralized Gaming License Regime in Nigeria Under the Subnational Reciprocity Licensing Framework of The Federation of State Gaming Regulators of Nigeria (FSGRN)



Introduction:

The Federation of State Gaming Regulators of Nigeria (FSGRN) has introduced a unified licensing process for operators across member states with the signing of the Subnational Reciprocity Licensing Framework on May 7, 2025. This framework enables companies to apply for a single license, known as the Universal Reciprocity Certificate (URC), which grants nationwide clearance for operating land-based and online sports betting, casino, public lottery, or promotional competitions.

The launch of the URC is a significant step towards reducing fragmentation and attracting responsible operators to the nation's gaming sector. By requiring only one license to operate across

multiple states, FSGRN aims to simplify the regulatory process and make it more attractive for businesses to enter the market. This move is a strategic alignment of Nigeria's gaming sector, marking a new era in licensing and regulation.

Background Facts:

Recall that on the 22nd of November 2024, the Supreme Court of Nigeria held in the case of Attorney-General of Lagos State & Ors v The Attorney-General of the Federation & Ors (2025) 5 NWLR (Pt. 1984) 43 that the regulatory and legislative powers over gaming is within the exclusive preserve of the various states of Nigeria and that the Federal Government has no legislative or regulatory power over gaming. We had in [our previous article published by the IMGL Magazine](#) x-rayed the judgment and its implication for gaming business in Nigeria. Part of the points we made then was that “the regulation of online gaming and the potential inter-state jurisdictional conflicts they may create remains unresolved. It is not currently clear whether a single state lottery license would permit an operator to offer online gaming/lottery markets to customers residing in other states outside the territory of the license issuing state. This area is likely to be subject to further regulatory or judicial pronouncements, as online gaming, accessible across state borders, is extremely prevalent and presents unique challenges that may lead to additional legal disputes and regulatory complexities. Additionally, it would be difficult for the other state regulators to restrict the online gaming operator from offering their markets to their residents, especially since individual states in Nigeria do not regulate access to the internet.”

It is therefore heart-warming that the Federation of State Gaming Regulators of Nigeria (FSGRN) has taken this step to prevent any potential challenges with the regulation of gaming in Nigeria.

Implication of the Subnational Reciprocity Licensing Framework for Gaming Operators in Nigeria

- i. The Universal Reciprocity Certificate (URC) issued pursuant to the Subnational Reciprocity Licensing Framework grants nationwide clearance for operating land-based and online sports betting, casino, public lottery, and promotional competitions.
- ii. The single license regime will significantly reduce the cost of operating online and land-based gaming/betting business in Nigeria, as each gaming operator will only need to obtain just one license for each category of gaming operation.
- iii. Aside saving cost for the gaming operators, the Subnational Reciprocity Licensing Framework eliminates the possibility of multiple licensing requirements which would have potentially arisen if each state was to issue licenses for gaming operations in their respective states.
- iv. The Subnational Reciprocity Licensing Framework is likely to forestall any potential dispute over the regulation of online betting in Nigeria. Despite the Supreme Court decision cited above, the National Assembly recently commenced the process of enacting a law “for the regulation of online betting in Nigeria”. Their argument was that since online gambling transcends state borders, no individual state legislation can regulate online gambling that extends beyond its state borders. But with the coming into force of the Subnational Reciprocity Licensing Framework by The Federation of State Gaming Regulators of Nigeria (FSGRN), that argument by the National Assembly would appear to have become moot.
- v. It is expected that there will be different categories of licenses, although all would be centrally issued by the Federation of State Gaming Regulators of Nigeria (FSGRN).

Such categories include “Sports Betting License”, “Pools Betting License” “Casino License”, “Lottery License”, etc.

Conclusion:

The Subnational Reciprocity Licensing Framework introduced by The Federation of State Gaming Regulators of Nigeria (FSGRN) through the issuance of the Universal Reciprocity Certificate (URC) is a very welcomed development. It is hoped that the FSGRN will release further guidelines for obtaining the licenses in the coming days. The FSGRN also needs to carry the gaming operators along in fine-tuning this new regulatory regime. A meeting between the FSGRN and the Association of Nigerian Bookmakers is already being scheduled to discuss the new licensing regime.



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