



ABIA STATE STARTUP ACT, 2024

ARRANGEMENT OF SECTIONS

PART I — OBJECTIVES AND APPLICATION OF THE LAW

1. Objectives
2. Application

PART II — ESTABLISHMENT OF THE ABIA STATE STARTUP ADMINISTRATION BOARD

3. Establishment of the Abia State Startup Administration Board
4. Membership of the Board
5. Tenure of Office of Members of the Board
6. Cessation of Membership
7. Functions and Powers of the Board
8. State Board Agent

PART III — OPERATIONAL STRUCTURE OF THE BOARD

9. Secretariat of the Board

PART IV — STARTUP SUPPORT FUND

10. Establishment of the State Startup Support Fund
11. Functions of the Fund Manager

PART V — LABELLING, CAPACITY BUILDING AND TALENT DEVELOPMENT

12. Startup Labelling and Designation of Providential Status
13. Talent Development
14. Support of Academic Research Institutions

PART VI — TAX AND FISCAL INCENTIVES

15. Additional Tax Reliefs

16. Access to Loan Facilities
17. Access to Government Grants, Loans and Facilities
18. Incentives for Investment in Startups
19. Intellectual Property Rights

PART VII — COLLABORATION WITH REGULATORS

20. Fostering Enabling Environment

PART VIII — ACCELERATORS AND INCUBATORS

21. Accelerator and Incubator Programs
22. Incentives for Accelerators and Incubators

PART IX — CLUSTERS, HUBS, INNOVATION PARKS AND TECHNOLOGY DEVELOPMENT ZONES

23. Establishment of Clusters, Hubs, and Innovation Parks
24. Functions of the Clusters, Hubs and Innovation Parks
25. Establishment of Technology Development Zones

PART X — MISCELLANEOUS PROVISIONS

26. Data Protection
27. Power of the Governor to Give Directives
28. Power to Make Regulations or Guidelines
29. Pre-action Notice
30. Interpretation
31. Citation

PREAMBLE

A BILL FOR THE ADOPTION OF THE NIGERIA STARTUP ACT 2022, ESTABLISHMENT OF THE ABIA STATE STARTUP ADMINISTRATION BOARD, PROVIDING FOR THE CREATION AND DEVELOPMENT OF AN ENABLING ENVIRONMENT FOR STARTUPS AND **DIGITAL** TECHNOLOGY-ENABLED ENTREPRENEURIAL ACTIVITY IN ABIA STATE AND FOR RELATED MATTERS

ENACTED BY THE ABIA STATE HOUSE OF ASSEMBLY

PART I — OBJECTIVES AND APPLICATION OF THE LAW

1. Objectives

The objectives of this Law are to:

- (a) provide a legal and institutional framework for the adoption and implementation of the Nigerian Startup Act and to enable the development and operation of startups in Abia State;
- (b) provide a training¹, tools and an enabling environment for the establishment, development, and operation of startup technology-enabled entrepreneurial activities in the State;
- (c) enable startups in Abia State to benefit meaningfully from the Nigerian Startup Act;
- (d) provide for the development and growth of technology-related talents; and
- (e) position Abia State's startup ecosystem as a leading digital technology center in Nigeria, providing world-class infrastructure, nurturing excellent innovators with cutting-edge skills and exportable capacity.

2. Application

This Law applies to:

- (a) companies incorporated under the Companies and Allied Matters Act whose major operations are situated within Abia State and Startups who have been granted the Startup label, in accordance with the provisions of the Nigeria Startup Act 2022; and
- (b) people, organizations and establishments whose activities affect the creation, support, and incubation of Startups in Abia State.

Key Customizations for Abia State:

1. Emphasis on Technology Hubs in Key Areas:
 - Leverage Abia State's existing industrial and technological infrastructure
 - Focus on digital innovation in sectors like apparels (clothing, textile, leatherworks - shoes, belts, bags etc), manufacturing, agriculture, and services²
2. Talent Development Strategy:
 - Collaborate with tertiary institutions in Abia State for short-form and long-form skill-to-job training
 - Create targeted skill development programs in emerging technological fields
3. Funding Mechanism:
 - Establish a dedicated Abia Startup (Support) Fund with clear disbursement guidelines

- Create partnerships with local, national and international financial institutions, including investors and donor organisations
- 4. Ecosystem Development:
 - Develop technology parks (hubs/innovation centers) in key urban centers like Aba and Umuahia
 - Create networking opportunities (innovation week, seminars/workshops, events, fora, online technology communities) for techies, startups, investors, and academic institutions

NOTES

1. Training in point 1 (b) refers to point 1 (d), amongst other things
2. Services here can include a marketplace

PART II — ESTABLISHMENT OF THE ABIA STATE STARTUP ADMINISTRATION BOARD

3. Establishment of the Abia State Startup Administration Board

(1) There is established the Abia State Startup Administration Board (in this Law referred to as "the Board").

(2) The Board shall also double as the Sub-national Council for Innovation in Abia State.

(3) The Board:

- (a) shall be a corporate body with perpetual succession and a common seal;
- (b) may sue or be sued in its corporate name; and
- (c) may acquire, hold, purchase, mortgage, and deal with property, movable or immovable, real or personal.

4. Membership of the Board

(1) The Board shall consist of:

(a) A Chairman who is nominated by the Abia State Startup Administration Board and appointed by the Governor, with demonstrated expertise in digital technology, corporate, industrial, commercial, financial, or economic matters. The Chairman is nominated after the Board has been constituted and is a member of the Board.

(b) Representatives from the following state ministries:

(i) Ministry of Science, Technology and Innovation (which would host the Secretariat) - Secretary and Head of Secretariat

(ii) Ministry of Economic Planning, Budget & Development

(iii) Ministry of SME and Industry

(iv) Ministry of Finance

(v) Ministry of Sports and Youth Development

(vi) Ministry of Education

(vii) A state counsel from the Ministry of Justice (not below senior state counsel) as Legal Adviser

- (c) Two technology-enabled company representatives, with the companies registered in Abia State, with at least one from Aba and one from Umuahia
 - (d) Chairman of the Abia State Internal Revenue Service
 - (e) Two Abia State-based Venture Capital/Private Equity Firms
 - (f) Two legal practitioners specializing in Startup and Digital Technology, recommended by the Nigerian Bar Association (Abia State Branch)
 - (g) Two Registered Tier A Innovation Hubs (registered with NITDA) / ATIN (Abia Technology Innovation Network) representatives
 - (h) Two Civil Society Organizations involved in entrepreneurship, technology, and innovation policy development
- (2) All members shall be appointed by the Governor, who shall also designate a Deputy Chairman.
- (3) The Legal Adviser may represent the Board in legal proceedings.
- (4) Members shall not be remunerated unless specifically approved by the Governor.
- (5) Seven members, including the Chairman, shall constitute a quorum.

5. Tenure of Office

- (1) Ex-officio members shall cease to hold office when their term expires.
- (2) Non-ex-officio members:
- (a) Shall serve a two-year term, renewable once
 - (b) Must be persons of proven integrity
 - (c) Require at least two years of digital technology experience and ten years of public or private sector experience
- (3) Officio members:
- (a) Chairman
 - (b) Deputy Chairman
 - (c) Secretary
 - (d) Legal Adviser

6. Cessation of Membership

Provisions for membership cessation include:

- (a) Voluntary resignation with one month's notice
- (b) Death
- (c) Absence from board meetings for four consecutive times, **virtual or in-person**
- (d) Incapacity due to physical or mental illness
- (e) Bankruptcy
- (f) Conviction of a felony
- (g) Gross misconduct
- (h) **Ceasing to be a resident of Abia State**

7. Functions and Powers of the Board

The Board shall:

- (a) Manage the administration of the Law
- (b) Formulate policy guidelines, **in collaboration with the Ministry of Science, Technology and Innovation**
- (c) Ensure implementation of the Startup Act
- (d) Harmonize laws affecting startups
- (e) Approve State Secretariat programs
- (f) Monitor regulatory frameworks
- (g) Support digital technological development
- (h) Create rules and regulations
- (i) Appoint a Board agent
- (j) Perform other necessary functions

8. State Board Agent

- (1) The Board shall appoint a State Board Agent to:

- (a) Monitor implementation of the Law
- (b) Serve as a liaison between Abia State and the National Secretariat
- (c) Submit quarterly and annual monitoring reports

PART IV — STARTUP SUPPORT FUND

10. Establishment of the State Startup Support Fund

(1) There is established the Abia State Startup Support Fund (referred to as "the Fund") to be managed by the Abia State Startup Administration Board and disbursed by the State Ministry of Finance.

(2) The Fund shall be annually funded with a sum not less than Three Billion Naira (N3,000,000,000), subject to periodic review. Funding sources shall include:

- (a) State government allocations
- (b) Grants from national and international development agencies
- (c) Contributions from private sector partners
- (d) Donor funds specifically targeted at startup ecosystem development

(3) The State Secretariat shall develop comprehensive modalities for fund disbursement, including:

- (a) Clear eligibility criteria for startups
- (b) Transparent application processes
- (c) Rigorous evaluation mechanisms
- (d) Performance-based funding models

(4) The Fund shall be exclusively applied to:

- (a) Provide direct funding support to startups in Abia State
- (b) Offer early-stage finance for labeled startups
- (c) Provide relief and support to technology laboratories, accelerators, incubators, and innovation hubs
- (d) Fund research and development initiatives
- (e) Support talent development programs

(5) Operational funds for the Board shall not be drawn from the fund, but provided through the budget of the Ministry of Science, Technology and Innovation.

11. Functions of the Fund Manager

As the Fund Manager, the Abia State Startup Administration Board, in collaboration with the State Ministry of Finance shall:

- (1) Create a comprehensive innovation grant budget and management framework
- (2) Develop a transparent framework for fund access and management
- (3) Ensure regular and up-to-date publication of fund application and utilization
- (4) Establish a robust monitoring and evaluation system
- (5) Ensure effective fund deployment

PART V — LABELLING, CAPACITY BUILDING AND TALENT DEVELOPMENT

12. Startup Labelling and Designation of Providential Status

(1) The State Secretariat shall support Abia State startups in obtaining national labeling under the Nigerian Startup Act.

(2) Labelled startups shall receive:

- (a) An A-level certificate from the State Secretariat
- (b) Providential status recognizing their innovative potential
- (c) Priority access to state support mechanisms

(3) The State Secretariat will work closely with the National Secretariat to maximize benefits for labelled startups.

13. Talent Development

(1) Talent Development Strategy:

- (a) Collaborate with tertiary institutions in Abia State, including: - Abia State University - Abia State Polytechnic - Michael Okpara University of Agriculture - Private tertiary institutions
- (b) Develop specialized modules and programs focused on: - Digital technology skills - Entrepreneurship - Innovation management - Startup ecosystem development

(2) Skill Acquisition and Development:

- (a) Establish digital technology skill centers in all local government areas
- (b) Partner with existing innovation hubs and training centers
- (c) Collaborate with artisan associations to promote digital technology integration

(3) Talent Hunt and Development:

- (a) Organize annual talent hunt programs
- (b) Identify and support outstanding talents
- (c) Provide seed funding for promising innovators

(d) Create mentorship programs linking talented individuals with experienced entrepreneurs

(4) Ecosystem Collaboration:

(a) Develop partnerships with: - Technical education institutions - Private training centers - Government agencies - Innovation hubs

(b) Create platforms for knowledge exchange and skill transfer

14. Support of Academic Research Institutions

The State Secretariat shall support academic research institutions by:

(a) Creating linkages between research institutions, private sector, and government

(b) Financing research and development systems for startups

(c) Providing financial support for research facilities

(d) Developing human resources in science, technology, and innovation

(e) Funding research collaboration and knowledge sharing

(f) Promoting information infrastructure for research institutions

(g) Maintaining a state database of research and innovation

(h) Supporting commercialization of local research through startup incubation

PART VI — TAX AND FISCAL INCENTIVES

15. Additional Tax Reliefs

(1) The Abia State Government shall:

- (a) Simplify tax requirements for startups
- (b) Provide streamlined fiscal incentives to support innovative enterprises

(2) Labelled Startups shall enjoy:

- (a) Full tax deduction for research and development expenses
- (b) Tax rebates on employee salaries for the first three years of operation
- (c) Registration and licensing waivers
- (d) 50% reduction on permit payments

(3) Specific Tax Incentive Framework:

- (a) Income tax holiday for first two years of operation
- (b) Reduced corporate tax rates for technology-driven startups
- (c) Exemption from state-level business registration fees
- (d) Accelerated depreciation for technology and innovation-related capital investments

16. Access to Loan Facilities

(1) The State Secretariat shall ensure labelled startups have access to:

- (a) Grants from the Abia State Micro Credit Agency?
- (b) Loan facilities from the State Ministry of Trade and Commerce
- (c) Support programs for small and medium enterprises

(2) **Special Provisions for Agritech and Innovation:**

- (a) **Facilitated land allocation for agricultural technology startups**
- (b) **Discounted land costs**
- (c) **Expedited right of occupancy grants**

17. Access to Government Grants, Loans, and Facilities

(1) Establishment of a Credit Guarantee Scheme with objectives to:

- (a) Provide accessible financial support
- (b) Create a credit guarantee framework
- (c) Offer financial and credit information
- (d) Develop financial management capacity

(2) Scheme Management:

- (a) Clear eligibility and qualification criteria
- (b) Transparent monitoring and evaluation mechanisms
- (c) Accountability and reporting protocols
- (d) Flexible collateral options including intellectual property

18. Incentives for Startup Investments

The State Government shall develop policies to incentivize:

- (a) Individual investors
- (b) Impact investors
- (c) Angel investors
- (d) Venture capitalists
- (e) Private equity funds
- (f) Accelerators and incubators investing in Abia State startups

19. Intellectual Property Rights

(1) The Board shall prioritize intellectual property rights for startup growth

(2) The State Secretariat will:

- (a) Encourage IP rights **registration/utilisation**
- (b) Assist in protecting and commercializing intellectual property
- (c) Collaborate with national authorities on IP protection

PART VIII — ACCELERATORS AND INCUBATORS

21. Accelerator and Incubator Programs

(1) The State Secretariat shall:

- (a) Enable accelerator and incubator programs
- (b) Develop a state accelerator and incubator policy
- (c) Establish standards for startup support ecosystems

(2) Program Focus Areas:

- (a) Relationship regulation between accelerators, incubators, and startups
- (b) Collaboration with private sector accelerator programs
- (c) Information dissemination about existing programs

22. Incentives for Accelerators and Incubators

(1) Establishment of a comprehensive register of:

- (a) Accelerators
- (b) Incubators
- (c) Startup ecosystem contributors

(2) Registered Entities Shall Receive:

- (a) State government incentives
- (b) Grants for research and development
- (c) Support for training and expansion projects
- (d) Priority in state digital innovation policies

(3) Eligibility Criteria:

- (a) Active support of startup operations
- (b) Demonstrated contribution to startup ecosystem
- (c) Compliance with state secretariat requirements

PART IX — CLUSTERS, HUBS, INNOVATION PARKS

23. Establishment of Innovation Ecosystem

(1) The Board shall develop frameworks for:

- (a) Startup innovation clusters
- (b) Physical and virtual innovation hubs
- (c) Innovation parks/hubs in each local government area

(2) Focus on creating interconnected innovation spaces in:

- (a) Aba (industrial hub)
- (b) Umuahia (administrative center)
- (c) Key industrial and educational zones

24. Functions of Innovation Ecosystem

(1) Core Objectives:

- (a) Facilitate startup-organization collaboration
- (b) Generate business opportunities
- (c) Pool expertise and innovative ideas
- (d) Provide resource access

(2) Support Services:

- (a) Dedicated startup support teams
- (b) Registration and authorization assistance
- (c) Market expansion support
- (d) Subsidized workspace
- (e) Comprehensive startup guidance

25. Technology Development Zones

(1) Establishment of Technology Development Zones to:

- (a) Spur startup growth
- (b) Support accelerators and incubators
- (c) Align with national startup development strategies

(2) Licensing Mechanisms:

- (a) Prior authorization for startup activities
- (b) Clear regulatory frameworks
- (c) Streamlined approval processes

PART X — MISCELLANEOUS PROVISIONS

26. Data Protection

(1) Data use and processing under this Law shall:

- (a) Comply with international, national and state data protection regulations
- (b) Ensure responsible and ethical data management
- (c) Protect the privacy of startup founders, investors, and ecosystem participants

(2) Key Data Protection Principles:

- (a) Consent-based data collection
- (b) Transparent data usage
- (c) Secure data storage
- (d) Limited data sharing
- (e) Right to data access and correction

27. Gubernatorial Directives

(1) The Governor may:

- (a) Issue policy guidelines to the Board and State Secretariat
- (b) Provide directives of general or specific nature
- (c) Guide matters related to policy implementation

(2) The Board and State Secretariat shall:

- (a) Comply with gubernatorial directives
- (b) Implement guidelines in good faith
- (c) Provide regular updates on directive implementation

28. Regulatory Powers

(1) The Board may, with gubernatorial approval:

- (a) Create rules and regulations for Law implementation

- (b) Prescribe forms and information requirements
 - (c) Establish procedural guidelines in collaboration with the Ministry of Science, Technology and Innovation
 - (d) Define registration processes
 - (e) Set fee structures
 - (f) Develop transition frameworks for startups
- (2) Regulatory Compliance:
- (a) Violations of established rules constitute offenses
 - (b) Penalties shall be prescribed in specific regulations
 - (c) Enforcement mechanisms will be clearly defined

29. Pre-action Notice

- (1) Civil Action Procedures:
- (a) 30-day notice required before commencing action against the Board
 - (b) Written notice must specify:
 - Cause of action
 - Claim particulars
 - Plaintiff details
 - Sought relief
- (2) Service of Documents:
- (a) Notices can be served at the State Secretariat
 - (b) Electronic and physical service modes recognized

PART XI — INTERPRETATION

30. Definitions

In this Law, unless the context otherwise requires:

"Accelerator" means a structured program providing mentorship and support to early-stage startups.

"Angel Investor" means a high-net-worth individual providing early-stage startup funding.

"Board" means the Abia State Startup Administration Board.

"Digital Technology" includes but is not limited to:

- Software development
- Artificial intelligence
- Blockchain technologies
- Fintech solutions
- Internet of Things (IoT)
- Cybersecurity innovations
- Computer Aided Design / Manufacturing (CAD/CAM)

"Early-stage Startup" means a business:

- (a) Existing for not more than 5 years
- (b) Focused on innovative digital technology products or services
- (c) Demonstrating potential for scalable growth

"Fund" means the Abia State Startup Support Fund.

"Incubator" means an organization supporting startup establishment through:

- (a) Physical workspace
- (b) Mentorship
- (c) Business support services
- (d) Networking opportunities

"Intellectual Property" includes:

- Copyrights
- Trademarks
- Patents
- Trade secrets
- Industrial designs

"Labelled Startup" means a startup: (a) Certified under the Nigerian Startup Act (b) Issued a digital certificate (c) Recognized by the State Secretariat

"Startup Ecosystem" means the interconnected environment of:

- Entrepreneurs
- Startups
- Investors
- Supporting institutions
- Government agencies

"Venture Capitalist" means an investor providing capital to high-potential startups in exchange for equity.

"Technology-enabled Business" refers to an organisation utilizing digital technology in its offerings and services

31. Citation

This Law may be cited as the Abia State Startup Law, 2024.

COMMENCEMENT

This Law shall come into effect on the date of its publication in the Abia State Government Gazette.