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Lagos State's New Regulations on e-Hailing Services and Operators Uber, Bolt Take Effect from August 27, 2020

The Lagos State Government introduced new regulations for e-hailing services within the State. The new regulations are contained in a document issued by the Lagos State Ministry of Transportation titled “Guidelines for Online Hailing Business Operation of Taxi in Lagos State 2020”. On Friday, August 14, 2020, the Lagos State Government disclosed an update to the new regulations. Consequently, these new regulations, initially scheduled to take effect from August 20, 2020, will now take effect from August 27, 2020.

Highlights of the New Regulations and Significant Updates.

- The new regulations introduce the statutory operational licencing fee and renewal fee, which e-hailing operators are required to pay to the government. The operational license fees in the new regulations which was N10,000,000 per 1,000 cars and N25,000,000 for every 1,001 and above e-hailing units have now been reduced by 20%. Therefore, the license fees have been reduced to N8,000,000 per 1,000 cars.
- E-hailing operators such as Bolt and Uber, are required to pay the Lagos State Government a flat fee of N20 on each trip, as Road Improvement Fund. This is an update to the initially disclosed payment of a 10% service tax, on every ride paid by passengers.

- All drivers under these e-hailing platforms are required to perfect documents and licences such as driver's licence and Lagos State Residents Registration Agency cards, required for operations.
- E-hailing operators are required to procure comprehensive insurance for each vehicle which covers the drivers and passengers while drivers may maintain third-party insurance.
- E-hailing operators are also required to undertake background/security checks on each driver in order to promote the safety and security of passengers and other stakeholders.

- E-hailing companies are mandated to provide data about each trip made on their trip movement) every week, which data is to aid the government for better planning and resource deployment.

The Commissioner for Transportation, Dr. Frederic Oladehinde, stated that the new and updated regulations were unanimously adopted and agreed to by the government and e-hailing operators after some debated provisions were reviewed. He also mentioned that the government initiated these new regulations as a means to bring e-hailing operations to uniformity with security measures.