



LEVERAGING BVN FOR THE CAPITAL MARKET IDENTITY MANAGEMENT NEED

□ Background

- As part of market development and investors confidence enhancement efforts, a number of good initiatives are currently being implemented or contemplated.
- Notably, the three interlinked initiatives currently being pursued by the capital market, namely; E-Dividend, Full Dematerialization, and Direct Cash Settlement, among others, are aimed at improving market participation by local/retail investors as well as enhancing liquidity, transparency and trading velocity.
- Underlying these initiatives is the issue of **identity management (KYC)**, especially for local/retail investors.
- It has therefore become imperative to resolve the issue.¹

Discipline

Excellence

Effectiveness

Teamwork

Leadership

Transparency

Proactive

(Core Values)



LEVERAGING BVN FOR THE CAPITAL MARKET IDENTITY MANAGEMENT NEED

❑ Leveraging the BVN

- Towards addressing the identity management issue, the leveraging of Bank Verification Number (**BVN**), which has captured the Biometrics of over 17 million people by end of June, 2015, was proposed for exploration.
- To this effect, a collaboration effort, initiated by the SEC, has crystallized, with both the CBN and NIBSS given their firm commitment for the BVN adoption by the market.
- Currently the modalities for the effective leveraging of the BVN are being worked out by an all Stakeholders Committee comprising of the CBN, SEC, NSE, CSCS, NIBSS, STOCKBROKERS AND REGISTRARS, among others.
- It was unanimously accepted by all stakeholders that, **2**



LEVERAGING BVN FOR THE CAPITAL MARKET IDENTITY MANAGEMENT NEED

collaboratively solving the identity management issue would increase transaction volumes, with every stakeholder benefiting from the increase.

□ Highlights of Modalities

- While final details of the adoption modalities are being worked out, the following highlights are presented for noting:
 - **Investor Validation:**
 - ✓ NIBSS provides a window on the web where Brokers can log in to validate the BVN of their existing clients and thereafter update their clients' CSCS accounts with BVN.
 - ✓ Potential investors/new clients would be similarly validated, as part of their KYC procedure.
 - ✓ This is expected to be a one-off exercise per investor.



LEVERAGING BVN FOR THE CAPITAL MARKET IDENTITY MANAGEMENT NEED

– Investor Verification:

Where verification of an investor is required ; this will involve the physical capturing of an investor's Biometrics by the market operator and comparing same with the Biometric data in the NIBSS Database to satisfy the operator before proceeding with desired transaction.

□ Implementation Kick-off

Noting that the BVN project will conclude in October, 2015, the actual implementation kick-off of the BVN adoption by Capital market is proposed to commence in November, 2015. This will allow adequate sensitization campaigns to be prosecuted as well as enable the tidying up of all modalities and logistics (including costs) for smooth adoption.



(Core Values)

Website:
www.sec.gov.ng

**SECURITIES AND EXCHANGE
COMMISSION, NIGERIA**



E-mail:
sec@sec.gov.ng

☐ Thank you

☐ ANY QUESTIONS ?

7/31/2015
3:06 PM



(Core Values)