



2021 2ND CMC MEETING



Commodities Trading Ecosystem Implementation Committee





MAJOR PROGRESS SINCE LAST CMC MEETING

1.0 COMMODITY STANDARDS FOR THE NIGERIAN COMMODITIES TRADING ECOSYSTEM

- ❑ Sequel to a meeting between the Chairperson-Implementation Committee and the Director Standards SON, a Technical Committee comprising of SEC, SON and the Commodities Exchanges was setup to develop a **stakeholder** sensitization **work plan** for existing Commodity Standards as well as **to** identify commodities with inadequate standards, and those **currently without** standards.
- ❑ Arrangements have be finalized for **stakeholder** sensitization on existing standards in 3 locations across the county.
- ❑ This would be a major achievement for the ecosystem as existing standards would be exposed to stakeholders.



MAJOR PROGRESS SINCE LAST CAMMIC MEETING

2.0 WEBINAR ON SOLID MINERALS AND COMMODITIES EXCHANGES

- ❑ A webinar with the theme, *“Financing the Solid Minerals Sector through the Capital Market: The Critical Role of Commodity Exchanges”* was held on July 15, 2021.
- ❑ It was organized to underline the critical role of the ecosystem and the capital market in fostering inclusive mining development by efficiently mobilizing medium to long term funding for solid minerals projects, linking commodities to industries, creating jobs, unlocking the economic potentials of mining communities, and ultimately engendering economic development, through better access to market, price transparency and standardization.
- ❑ The webinar was well attended by participants from mining companies, artisanal and small-scale mining operators, Federal and State Government officials, regulators, industry bodies, academics, asset managers, legal and advisory service providers, stakeholders in the capital market and the solid minerals sector.



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3.0 ENGAGEMENT OF KEY STAKEHOLDERS

ENGAGEMENT WITH NBS

- Further to the implementation of the recommendation of the Commodities Trading Ecosystem Technical Committee on promoting effective price discovery through transparent pricing mechanism in the commodities trading ecosystem, the Commission engaged with NBS on commodities price information.
- A Technical Committee is working to develop modalities for publishing prices of commodities.



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3.0 ENGAGEMENT OF KEY STAKEHOLDERS

ENGAGEMENT WITH PENOP

- In a bid to accentuate the investment potentials of the commodities trading ecosystem towards attracting the participation of pension funds in commodity-based instruments, the Commission in collaboration with the Commodities Exchanges engaged with the leadership of the Pension Fund Operators Association (PENOP).
- An enlarged meeting with members of the Association planned for August 2021.





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3.0 ENGAGEMENT OF KEY STAKEHOLDERS

ENGAGEMENT WITH NAICOM

- In order to provide a forum for Commodities Exchanges to discuss areas of concern in respect of the operations of insurance companies, the Commission and the commodities exchanges met with NAICOM.

- An enlarged meeting which will include the Insurance Companies is being planned.



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4.0 Some Initiatives by the Commodities Exchanges

- ❑ **As part of efforts to develop capacity in the ecosystem, and to underscore the benefits of securitized products to the commodities market in Nigeria, AFEX Commodities Exchanges Limited organized a webinar themed “*Securitization and the Operational Imperatives*” on July 14, 2021.**



ONGOING INITIATIVES

- **A webinar to discuss the role of commodities exchanges in the agricultural commodities sector is being planned for Q3 2021.**



CHALLENGES

- The covid-19 pandemic continues to limit implementation of some of the initiatives that the Committee had planned for the year.**
- Technology has enabled the delivery of some initiatives but the level of execution has been severely limited.**