



SEC NIGERIA

SECURITIES AND EXCHANGE COMMISSION, NIGERIA

2021 CAPITAL MARKET COMMITTEE (WEBINAR) MEETING

Thursday, 12th August, 2021



REPORT OF THE NON-INTEREST CAPITAL MARKET IMPLEMENTATION COMMITTEE AUGUST 12 2021

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MAJOR PROGRESS SINCE THE LAST CMC MEETING

- PENCOM released the approved Operational Guidelines for Non-interest Funds (Fund VI)
- Some PFAs launched Non-interest Funds
- The Committee continued engagement with the FIRS to release the tax circular for the taxation of Non-Interest Instruments
- SEC approved the Issuance of an investment grade sukuk by a corporate issuer (Family Homes Sukuk)





FACTORS RESPONSIBLE FOR DEVELOPMENTS

- The cooperation and support of the Securities and Exchange Commission
- Clearly articulated deliverables and committed committee
- Continuous engagement with identified stakeholders



CHALLENGES/ STEPS TAKEN

Challenges

- Few investment grade potential corporate sukuk issuers in the domestic capital market (within the universe)
- Lack of clarity on taxation of non interest instruments
- Dearth of knowledge in structuring non-interest instruments
- Unavailability of sukuk issuance calendar and short term sukuk



Steps Taken

- Continuous engagement with stakeholders to issue an investment grade sukuk
- Coordination with the FIRS on the release of tax circular for taxation of non-interest instruments
- Training of PFAs and select potential issuers
- Engagement with the DMO on possible structures for short term sukuk and the necessity of an issuance calendar and



ISSUES FOR CMC DELIBERATION

- Strategies for encouraging more investment grade potential corporate sukuk issuers
- Fast- tracking the release of tax circular by the FIRS
- Achieving a sukuk issuance calendar from DMO
- Achieving the issuance of short-term Sukuk

