



**SEC NIGERIA**

SECURITIES AND EXCHANGE COMMISSION, NIGERIA

# 2022 CAPITAL MARKET COMMITTEE (WEBINAR) MEETING

Wednesday, 6<sup>th</sup> April, 2022



## REPORT OF THE NON-INTEREST CAPITAL MARKET IMPLEMENTATION COMMITTEE

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## MAJOR PROGRESS SINCE THE LAST CMC MEETING

- The Debt Management Office issued the 4<sup>th</sup> FGN Sukuk of N250billion. This was the largest FGN sukuk issuance and was oversubscribed by 346%.
- At least two sub-sovereign entities issued private sukuk and noted them on the FMDQ private market
- More corporates began to tap into the sukuk market for capital raising
- At least 3 additional PFAs launched Non-interest RSA Funds
- The Committee continued engagement with the FIRS to release the tax circular for the taxation of Non-Interest Instruments





## FACTORS RESPONSIBLE FOR DEVELOPMENTS

- The proactiveness of the SEC in engaging key stakeholders including the PENCOM, FIRS, the IFSB and the market
- Clearly articulated deliverables and committed committee





## 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
- Unavailability of sukuk issuance calendar and short-term liquidity instruments

### Steps Taken

- Continuous engagement with stakeholders to issue an investment grade sukuk
- Continuous engagement of the FIRS on the release of tax circular for taxation of non-interest instruments
- Continuous engagement with the DMO on the issuance of a short-term liquidity instrument and the necessity of an issuance calendar





## **ISSUES FOR CMC DELIBERATION**

- Strategies for encouraging more investment grade potential corporate sukuk issuers
- Fast-tracking the release of tax circular by the FIRS
- Development of a sukuk issuance calendar by the DMO
- Issuance of short-term non-interest liquidity instrument by the DMO
- Engagement of PENCOM and PFAs to create more awareness about migration process to Fund VI.