



**SEC NIGERIA**

SECURITIES AND EXCHANGE COMMISSION, NIGERIA

# 2021 CAPITAL MARKET COMMITTEE (WEBINAR) MEETING

Thursday, 15<sup>th</sup> April, 2021



REPORT OF THE NON-INTEREST CAPITAL  
MARKET IMPLEMENTATION COMMITTEE

APRIL 15 2021

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## MAJOR PROGRESS SINCE THE LAST CMC MEETING

- The Committee along with the Executive Management of the SEC had an interaction with a potential issuer of corporate sukuk
- The Committee continued engagement with the FIRS to release the tax circular for the taxation of Non-Interest Instruments
- The Committee continued to engage with the PENCOM on the release of the Operational Guidelines for PFA investment in Non-Interest Instruments. Draft Guidelines have been released to PFAs
- The Committee worked with the SEC & AIHN to offer Issuing Houses participation in the Non-Interest Finance training facilitated by the Islamic Finance Services Board (IFSB)





## **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
- Lack of operational guidelines for investment by PFAs in Non-Interest Instruments

### Steps Taken



Meeting with selected potential corporate issuers to encourage issuance



Coordination with the FIRS on the release of tax circular for taxation of non-interest instruments



Collaboration with IFSB to train CMOs



Coordination with PENCOT on the release of operational guidelines





## ISSUES FOR CMC DELIBERATION

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

