

SECURITIES AND EXCHANGE COMMISSION



Opening Remarks

By

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At the 1ST CMC Meeting of 2025

***Monday, May 19TH 2025
Federal Palace Hotel, Victoria Island, Lagos***

Protocol

Esteemed Members of the Capital Market Committee,

1. It is with great pleasure that I welcome you all to the first meeting of the Capital Market Committee in 2025.
2. I begin by expressing the our sincere appreciation to the entire capital market community. Your unwavering dedication has played a vital role in advancing our collective goal of developing a vibrant and resilient capital market.
3. The strong turnout today by Chief Executives and representatives of various sister agencies reflects the significance of this meeting and the value we all place on continuous engagement and collaboration.
4. This meeting comes at a pivotal moment in the history of our capital market. I am particularly delighted to announce and celebrate a monumental achievement—the passage of the **Investment and Securities Act (ISA) 2025**. This is a landmark step forward in modernizing our regulatory framework and ensuring it aligns with global best practices.
5. The Investment and Securities Act 2025 is a landmark reform that ushers in a new era for our capital market. By expanding the definition of securities to include investment contracts, the Act ensures that digital asset operators, exchanges, and service providers adhere to strong investor protection standards.
6. The new Investments and Securities Act has considerably enhanced our regulatory powers, granting us clear authority to supervise and oversee derivatives trading as well as online retail foreign exchange activities. This development positions the Nigerian capital market for global relevance and reinforces SEC as a forward-thinking, innovation-driven regulator.
7. I commend all the stakeholders—Our supervisor , the Ministry of finance, the National Assembly, SROs, regulators, market operators, and the investing public—whose tireless efforts and contributions have made the passage of this transformative legislation possible. This is not just a legal milestone; it is a clear signal of our readiness to embrace the future of capital formation and market integrity.
8. The enactment of the ISA 2025 is not the end of our journey, but rather the beginning of a transformative new era. For the Commission, this marks the start of a renewed commitment to deeper engagement with all stakeholders, ensuring that the new law is widely

disseminated and fully understood. In fact, today's session with the **Executive Commissioner Legal**, will be a significant part of this effort.

9. I also issue a call to action to all members of this CMC to accelerate the implementation of the frameworks enabled by the new Act. You should drive innovation and compliance, ensuring that both new and existing market products meet the high standards outlined in the ISA 2025.
10. I am pleased to inform you that the Commission has already constituted an implementation team tasked with a thorough and practical engagement with every provision of the Investment and Securities Act (ISA) 2025. This is to ensure that the objectives of the new law are not only achieved but also translated into real benefits for market participants. Our goal is to restore investor confidence, bring timely relief to aggrieved investors, and create a platform for the broad-based participation of Nigerians in wealth creation.
11. Beyond implementation, we have also set up a dedicated sensitisation team, and in a bid to deepen public understanding, we have launched a podcast series. Through this platform, we will begin to roll out simplified content that unpacks the ISA 2025, making it accessible and understandable to all Nigerians.
12. Our engagement will be far-reaching. We will actively involve all relevant stakeholders—investors, public companies, market operators, law enforcement agencies, members of the judiciary, the executive, and more. Everyone who needs to understand this law will be engaged, because going forward, ignorance of the law will no longer be a valid excuse.
13. As we begin our deliberations today, I urge each of you to bring your expertise, bold ideas, and solutions to the table. The months ahead must be marked by decisive action, strategic alignment, and measurable outcomes. Together, let us translate this legislative success into tangible progress for our capital market and, by extension, for the Nigerian economy.

REVIEW OF ACTIVITY TO DATE

14. Last year has been one of remarkable resilience, innovation, and strategic progress for the Nigerian capital market, even as we navigated a challenging global economic landscape. Against the backdrop of geopolitical tensions, inflationary pressures, and subdued global growth, the capital market emerged as a beacon of stability and opportunity, driving economic transformation and fostering inclusive growth.
15. The Nigerian capital market delivered impressive results in 2024, reflecting investor confidence and the effectiveness of our regulatory reforms. In the secondary market, the

NGX All-Share Index (ASI) increased by 37.65%, closing the year at 102,926.40 points. Market capitalization grew by 53.39% to ~~N~~62.77 trillion, driven by strong corporate earnings and attractive dividend yields. Domestic investors dominated transactions, accounting for 83.68% of total equity value, underscoring their confidence in the market. In addition, The NASD Unlisted Securities Index (USI) surged by 223.75%, reflecting growing investor interest in unlisted securities. For Debt Markets, FMDQ recorded a turnover of ~~N~~460.55 trillion, an 85.42% increase from 2023. In the Commodities Market, AFEX Commodities Exchange Limited experienced a decline in turnover by 55.06%, while the Lagos Commodities and Futures Exchange (LCFE) and Nigeria Commodity Exchange (NCX) recorded gains in gold and grains trading, signaling diversification in the sector.

16. In 2024, companies listed on our market declared dividends totaling ~~N~~1.1 trillion, with ~~N~~1.0 trillion already paid to shareholders. This reflects improved market confidence and investor returns.
17. Permit me to present an update on approved new issues within the Nigerian capital market, covering the period from January to December 2024, as well as the first four months of 2025.
18. Between January and December 2024, the Securities and Exchange Commission approved a total of ~~N~~3.68 trillion in new issues. This comprised ~~N~~59.82 billion in fixed income issuances and ~~N~~3.62 trillion in equities, reflecting strong investor appetite and issuer confidence in the equity segment of our market.
19. For the period spanning January to April 2025, we have so far approved new issues valued at approximately ~~N~~446.38 billion. Of this amount, ~~N~~265.90 billion was raised through fixed income instruments, while ~~N~~180.48 billion was mobilized via equities.
20. On Mergers and Acquisitions activity approved by the Commission. In the year 2024, a total of 11 transactions were approved, with an aggregate value of ~~N~~320.36 billion. Most notable of these was the acquisition of a 58.02% equity stake in Guinness Nigeria Plc by N Seven Nigeria Limited, valued at over ~~N~~103.7 billion. .
21. There were also three corporate restructuring transactions, two share capital reconstructions, one takeover, and four registrations of securities. Among the notable corporate restructuring transactions was the scheme of arrangement involving Flour Mills of Nigeria Plc, valued at over ~~N~~105 billion, and the share capital reconstruction by Transnational Corporation Plc, which saw a 1-for-4 share consolidation amounting to ~~N~~5.08 billion.

22. In 2025, year-to-date, we have so far approved three major transactions with a total value of ₦38.53 billion. This includes two takeovers and one corporate restructuring. While no mergers have been recorded within the review period, the pace of market activity remains steady, with continued interest in strategic consolidation and reorganisation across key sectors. These activities reflect continued strategic realignments within the market.
23. I would like to draw your attention to the robust expansion of collective investment schemes and the broader asset management industry as of the fourth quarter of 2024. Registered mutual funds reached 184 in number, with a combined net asset value of ₦3.84 trillion and over eight hundred thousand unit-holders. Privately managed portfolios and products grew to four hundred and fifty-four vehicles with assets under management totaling ₦4.69 trillion. In aggregate, eighty-two active asset management firms oversee ₦8.53 trillion in investments. These figures reflect a maturing market where professional fund management is increasingly recognized as a critical driver of capital formation and wealth creation.
24. These figures are indicative of sustained activity in the market, particularly as issuers continue to leverage both the debt and equity segments to finance growth and investment.
25. Let me assure you that the Commission remains committed to ensuring that the approval process is transparent, efficient, and aligned with our broader objective of fostering a deep, liquid, and competitive capital market that contributes meaningfully to Nigeria's economic development.

INTER-AGENCY ENGAGEMENTS

26. As part of our ongoing commitment to foster a more efficient and responsive capital market, the Commission has continued to engage related agencies and implement targeted reforms aimed at easing access to the Nigerian Capital market.
- Firstly, following the **Central Bank of Nigeria** (CBN) recapitalization programme for banks, we issued a dedicated framework to guide the ongoing banking sector recapitalisation programme. This framework outlined the procedures banks and holding companies must follow in raising capital during the recapitalisation period. It serves as a comprehensive manual designed to ensure that the entire process is smooth, transparent, and efficient, both for issuers and the investing public. The Commission received twelve new issuances from banks, totaling 123.90 billion ordinary shares valued at ₦2.02 trillion. These issuances were comprised of eight (8) Rights Issues, one (1) Private Placement, and four (4) Public Offers.
 - Secondly, we issued a circular directing issuers to obtain a **No Objection clearance** from their relevant primary regulators before filing any application with the Commission.

This preemptive measure is intended to avoid delays and streamline the approval process.

- c. Thirdly, we engaged the **Corporate Affairs Commission (CAC)** to address challenges relating to the increase of share capital through the allotment of new shares. The Commission drafted a suitable template for such purposes, with carefully crafted language to meet all requirements. This draft is currently receiving CAC consideration for integration into its system.
- d. Our engagement with the **Financial Reporting Council of Nigeria (FRACE)** has resulted in a more streamlined certification process. In instances where an issuer submits an application involving a structure that had previously required joint approval from both the Commission and FRACE, the Council now permits re-certification without a full review. This collaborative innovation not only saves time but significantly enhances regulatory efficiency.
- e. In furtherance of our commitment to broadening access to capital and deepening market participation, the Commission has initiated a strategic partnership with the **Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)**. This collaboration is aimed at supporting small business financing through tailored capital market solutions. It aligns seamlessly with the mandate of our newly established Office of Small Business Advocacy (OSBA), which now serves as the Commission's dedicated interface for engaging SMEs and guiding them on how to leverage the capital market for sustainable growth.

27. Through these and other initiatives, we continue to reaffirm our commitment to building a capital market that is dynamic, responsive, and globally competitive—one that can effectively support the President's vision of a \$1 trillion economy by mobilizing long-term capital for sustainable national development.

REGULATORY REFORMS

28. As part of ongoing regulatory reforms, the Commission is currently **defragmenting** and updating the rules and regulations governing mergers and acquisitions to bring them into full alignment with the Investment and Securities Act, 2025. This initiative is designed to streamline the regulatory framework, enhance legal clarity, and support a more efficient transaction environment. Having received a comprehensive report from the consultant, we circulated the draft to all relevant departments and will convene the Rules Committee for an intensive retreat on May 29–30, 2025 to finalize the reorganization.

29. In furtherance of our mandate to protect investors and maintain market integrity, the Commission has deepened its supervisory activities with a focus on **risk-based oversight**. This year, we undertook onsite Risk-Based Supervision of 58 Capital Market Operators (CMOs) operating within holding company structures or group affiliations. These included 13 broker/dealers, 15 fund and portfolio managers, 13 issuing houses, 6 registrars, and 11 trustees. The objective was clear: to strengthen risk management practices and internal control systems within these complex entities, thereby safeguarding the stability of our market.
30. The Commission is also playing a critical role in Nigeria's ongoing effort to exit the **Financial Action Task Force (FATF) Grey List**. Working in collaboration with key national stakeholders, we addressed outstanding issues flagged under the International Cooperation Review Group (ICRG) process. Our collective goal is to secure Nigeria's exit from the list in the month of May 2025.
31. To this end, I urge all capital market operators to strictly comply with **Anti-Money Laundering, Countering the Financing of Terrorism, and Counter-Proliferation Financing (AML/CFT/CPF)** obligations. Compliance will be closely reviewed by the FATF and the GIABA regional body during their upcoming onsite assessment.
32. The Commission intensified its engagement with registrars to address the persistent issue of **unclaimed dividends**. We physically visited some registrars to verify the integrity of the e-Dividend Mandate Management System and the real-time application programming interface that instantly updates registrar databases upon mandate completion. We also issued a clarification circular on the treatment of "state-barred unclaimed dividends."
- These efforts support our intent to accelerate the disbursement process, reduce the backlog of unclaimed funds, and restore shareholder confidence. I call on all registrars to collaborate fully with our teams and to leverage these technological improvements to maintain the highest standards of data integrity and service delivery. I note however, that our engagement and visits also revealed some areas of concern. These findings will be deliberated in detail with the **Institute of Capital Market Registrars (ICMR)** and registrar firms to develop actionable solutions.
33. In our continuing push to institutionalize sound risk management, the Commission has mandated the adoption of an **Enterprise Risk Management framework** across all Capital Market Operators. We regard this as a cornerstone of sound corporate governance and proactive risk mitigation. The Fund Managers Association of Nigeria's webinar on risk profiling was a highly commendable initiative that provided practical guidance on embedding ERM principles into strategic decision-making. All CMOs have been directed to

submit their self-risk profile, and note that failure to comply shall attract graduated sanctions. Through diligent risk identification, measurement, and monitoring, your firms will be better equipped to anticipate market disruptions and protect the interests of your clients.

34. In tandem with these developments, Management approved a suite of significant rule amendments on April 24, 2025. Fund managers are now required to **issue monthly investment statements** to unitholders and to publish comprehensive CIS data on their websites, thereby enhancing transparency and investor empowerment. The rigid twenty-eight working-day offer period for closed-end funds has been removed, allowing issuers to determine an offer period that reflects actual market conditions. The single-investment threshold for private equity funds has been raised from thirty to seventy percent of net asset value, subject to rigorous due-diligence requirements and a minimum manager commitment. Finally, the fee for proxy-form processing has been reduced from ₦500,000 to ₦50,000, lowering the cost barrier for retail-oriented schemes and encouraging broader participation in fund governance.
35. Aligning with and directly supporting the Federal government's infrastructure development goals, the Commission recently approved the **Ministry of Finance Incorporated Real Estate Investment Fund (MREIF)**, an initiative aimed at addressing Nigeria's housing deficit by enabling affordable mortgage financing. The fund is a cornerstone of the **One Million Homes Presidential Initiative**, designed to provide cost-effective housing solutions for Nigerians, particularly pension account holders. The program aligns with the broader strategy of the federal government to increase homeownership accessibility. This development underscores the commitment of the Commission to fostering financial innovation and supporting national economic priorities.
36. The new Investments and Securities Act has significantly strengthened the regulatory mandate of the Commission by formally empowering us to supervise and provide oversight for **derivatives trading and online retail forex** activities. In response, the Commission has established a dedicated Derivatives and Risk Management Department to ensure robust supervision, promote market integrity, and safeguard investor interests in these evolving segments
37. Our Fintech team has significantly expanded the onboarding of Fintechs into its **Accelerated Regulatory Incubation Programme**. In this era of rapid financial technology advancements, this initiative is crucial for supporting our objective of developing robust regulations for Fintechs, enhancing the diversity of financial services, and promoting greater financial inclusion across the country.

38. We have also set our **annual Judges' Workshop** for July 7–8, 2025 at the National Judicial Institute in Abuja, where 102 judges of the superior courts—including members of the Investments and Securities Tribunal—will gather. Over two days, five distinguished resource persons will present papers, each followed by expert panel discussions, ensuring that our judiciary remains well-equipped to interpret and enforce the securities laws effectively.

FINANCIAL INCLUSION & INVESTOR EDUCATION

39. In furtherance of our mandate to build a fair, inclusive, and accessible capital market, the Commission has continued to prioritize financial inclusion and investor education as essential drivers of sustainable market development.

40. Over the last few months, we have intensified our outreach, with particular focus on empowering women, youth, and grassroots communities. In commemoration of **International Women's Day**, the Commission spearheaded a series of impactful education programmes, collaborated with key market players, and supported the Aso-Accord initiative at the State House—all aimed at deepening women's participation in the capital market. We also contributed meaningfully to the inaugural Gender Inclusion Conference, delivering insights on investment opportunities tailored for women.

41. Our **engagements with young Nigerians** have been equally strategic. We hosted students from Nasarawa State University and Al-Ansar College on educational excursions to the Commission, while our regional investor awareness conferences and partnerships with institutions such as Pan-Atlantic University reached hundreds of undergraduates with messages of wealth creation and responsible investing.

42. At the grassroots level, we remained visible and accessible. From participating in the Kaduna International Trade Fair to organizing **investor clinics at flagship events** such as the ICAN Annual Conference and the Project Managers' Summit, we have actively addressed investor concerns—particularly issues surrounding e-dividends and unclaimed dividends. I thank our CMOs who have responded to calls to join us at our investor clinic and urge more participation in the future.

43. Additionally, in observance of **Global Money Week and World Savings Day**, our teams visited schools across the FCT to instill early lessons on savings and investment in the next generation.

44. Perhaps most significantly, we are laying lasting foundations through education-sector partnerships. Working with the **National Universities Commission** and the **Nigerian Educational Research and Development Council**, we are reviewing the Securities and

Investment Management curriculum at the tertiary level and integrating capital market concepts into the secondary school syllabus.

45. Through these initiatives and more, the Commission reaffirms its commitment to building a financially literate society and an inclusive market that supports the broader ambition of positioning Nigeria as a trillion-dollar economy.

Distinguished ladies and gentlemen

46. Let me draw your attention to our nationwide **“Say No to Ponzi Schemes” campaign**, which remains an ongoing effort to protect investors and preserve market integrity. On May 1, 2025, senior Management and staff of the Commission took this message directly into the field—visiting Wuse Market, Garki International Market, Model Market, and Eagle Square on Workers’ Day—to engage traders, artisans, and market-goers in candid discussions about the perils of fraudulent schemes. These outreach visits underscore our unwavering commitment to fostering financial literacy and ensuring that every Nigerian, regardless of geography, understands how to safeguard their hard-earned resources.

TECHNOLOGY

47. We have successfully delivered four transformative projects to enhance operational efficiency, transparency, and cross-regulatory collaboration. These are:
- a. an instant-update API for registrars in response to the e-Dividend Committee’s directive. This ensures that once a shareholder sets their e-dividend mandate, the public database reflects that change in real time - dramatically reducing outdated entries and boosting stakeholder confidence.
 - b. Upgrade of the Commission’s website, rebuilding it from the ground up with scalability and user experience at its core, so that investors, operators, and the general public each enjoy a tailored, intuitive digital journey.
 - c. A dedicated Commercial Paper Portal to automate application processing, approval workflows, and compliance monitoring, thereby eliminating administrative bottlenecks in the short-term debt market.
 - d. The Regulatory Hub—a secure, centralized platform for seamless information exchange among financial sector regulators, promoting coordinated oversight and rapid intervention when risks arise.

NCMI

48. Our subsidiary, the Nigerian Capital Market Institute, has deepened its engagement with the market through collaborative program design and execution. By involving practitioners at every stage—from conception to delivery—NCMI has tailored its training offerings to address real-world challenges, thereby building a truly knowledge-based capital market. In the second quarter of this year, NCMI will host an expository training on the new

Investment and Securities Act. I urge every Capital Market Operator to participate, for this program will provide an in-depth analysis of the Act's fresh provisions, strengthen compliance, and drive operational excellence across the industry.

ENFORCEMENT

49. On the enforcement front, our resolve remains firm and unwavering. We have continued to intensify actions against illegal investment schemes, and I am glad to report that these efforts have yielded tangible results, including recoveries for investors and the sealing of the premises of unregistered operators. These are clear demonstrations of our enduring commitment to investor protection and market integrity.

Let me highlight a few key enforcement actions:

- In the **Famzhi Interbiz Limited** case, the Federal High Court handed down a conviction, sentencing the promoter to six years imprisonment. The Court also ordered the winding up of the company, with its assets to be sold and the proceeds distributed to investors. The Commission has since commenced the implementation of this judgment and appointed *Punuka Solicitors & Associates* as liquidator.
- We have **cancelled the registration of Mainland Trust Limited** due to its failure to remit investor funds, including those tied to Treasury Bill investments.
- Similarly, **Centurion Registrars Limited** and its sponsored individuals have been **suspended from all capital market activities** for non-compliance with Commission directives regarding investor complaints.
- Moreover, the Commission has issued **cease and desist orders** to several operators of illegal financial schemes and has backed this with public notices to alert and protect the investing public.

These actions underscore our dedication to a fair, transparent, and efficient market where bad actors are held accountable and investor confidence is safeguarded.

CMMP

50. This year 2025 marks a significant milestone for the Commission as we wind down the operations of the Revised Capital Market Masterplan (RCMMP) (2015 – 2025). The Master Plan has led to significant initiatives in the market by improving market operations, depth and sophistication. However, the economic environment in Nigeria and indeed globally has changed significantly since the inception of the plan. As we finalise and evaluate the impact of the RCMMP, we will begin discussions on the development of another plan to address emerging challenges and guide the development of the market
51. Please permit me to specially express the Commission's profound appreciation to the CAMMIC, under the leadership of Prof. Koyinsola Ajayi and the past Chairman, Mr Tola Mobolurin.

52. I also express our profound appreciation to the capital market technical committees. Over the years we have relied on the support of CAMMIC, Technical Committees and Working Groups in the implementation of the Master Plan.
53. Prior to the launch of the Nigerian Capital Market Master Plan (2015–2025), the development of Nigeria’s capital market lacked strategic direction and long-term planning. Initiatives were mostly ad hoc, fragmented, and poorly coordinated, leading to limited market growth and slow product innovation. To address these challenges, the Commission in 2013 inaugurated three market-wide committees to develop comprehensive blueprints for the market’s growth. The outputs of these committees were consolidated into Nigeria’s first long-term capital market strategy—the Nigerian Capital Market Master Plan (2015–2025). As preparations begin for the 2030 Capital Market Master Plan (CMMP), the SEC remains committed to broad stakeholder engagement. Through the collaboration of technical committees and working groups, the goal is to collectively build a capital market that is more relevant, competitive, diversified, efficient, resilient, and anchored on integrity.

DIRECTIVES

54. As part of our commitment to innovation and market integrity, the Commission launched an e-survey on the 5th of May 2025 to assess emerging technology adoption in the Nigerian Capital Market. Your feedback will help us refine the regulatory framework to ensure new models and tools deliver real value and strong investor protection. Please log in to the E-Portal (<https://eportal.sec.gov.ng/login>) with your existing credentials and complete the survey within the next two weeks. From our assessment only 58 firms have so far filled the survey while we have more than 700 registered CMOs. Less than 10% have so far responded. With our current plans to initiate a new Masterplan, this data on adoption, user trends, demographic shifts will provide valuable insights to guide the medium to long term strategy for the Commission & the Market.
55. The Securities and Exchange Commission hereby directs all registered Fund managers to submit accurate quarterly data on the ownership structure. These statistics are essential not only for monitoring market diversity and governance but also for informing Nigeria’s balance of payments position. A healthy balance of payments signals robust external financing and fosters investor confidence, attracting long-term capital inflows. Transparent BOP reporting further enhances market integrity and equips issuers and investors to evaluate cross-border opportunities and risks effectively. Balance of Payments is a Key Indicator for Financial Stability and Capital Market Development. In order to ensure availability of reliable balance of payment and international investment Position statistic for the country, you are advised to take steps to effect compliance with the important national new requirement.

56. In conclusion, I am confident that our regulatory efforts will continue to drive economic growth and development, positioning the Nigerian capital market as a beacon of opportunity and prosperity. At the Securities and Exchange Commission, Our commitment to fostering growth, transparency, and sustainability remains steadfast.

57. Once again, it is my pleasure to welcome you all to this meeting as I look forward to fruitful deliberations;

58. Thank you and good morning.

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