



# SEC NIGERIA

SECURITIES AND EXCHANGE COMMISSION, NIGERIA

# 2025 CAPITAL MARKET COMMITTEE MEETING

Monday, 19<sup>th</sup> May, 2025



## E-DIVIDEND MANDATE COMMITTEE'S FINAL REPORT





## INTRODUCTION

- The SEC, in collaboration with CBN constituted an industry wide e-Dividend Committee in February 2014 to work on the roadmap and modalities for the massive adoption of e-Dividend policy in Nigeria.
- Members of the Committee were drawn from SEC, CBN, ICMR, CSCS, NIBSS, ASHON and CHBO.





## **ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE**

### **Creation of the e-Dividend Mandate Management System (e-DMMS) Portal**

The portal was developed by NIBSS in conjunction with the Commission, CSCS, ICMR and Banks. It has assisted to:

- Facilitate faster processing of investor mandates for dividend payment to their bank account in a nominated bank
- Remove the challenges faced by investors in setting up a one-time authorization/mandate for the payment of their dividend electronically rather than through dividend warrants
- Provide a centralized and trusted database of all mandated dividend payments into investors account
- Enable efficient verification of investors' mandates for payment of dividends





## ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE..

### ❑ Revamped e-DMMS Portal

- Following a proposal from the Institute of Capital Market Registrars (ICMR), the e-dividend Mandate Management System (e-DMMS) was revamped.
- The revamped portal has addressed the following concerns associated with the previous version:
  - ✓ The need to centralize submission of e-Dividend Mandate Forms to Registrars;
  - ✓ Unavailability of APIs for e-DMMS platform;
  - ✓ Failure of notification to mandate holders;
  - ✓ Poor reporting features for Registrars;
  - ✓ Lack of BVN and Account Validation.





## ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE..

### ☐ **Update of non-mandated accounts on SEC website**

- The Committee updates non-mandated accounts database hosted on the SEC's website periodically.
- The Committee requested the Commission to deploy API to improve efficiency in gathering and hosting the data on the SEC website.
- The API has been recently been deployed and it will ensure that investors have access to updated and reliable data on their accounts that are yet to be mandated for unclaimed dividend.





# ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE..

## ❑ CHN Mapping

- This is another initiative aimed at increasing the number of mandated accounts and reducing the quantum of unclaimed dividend.
- It entails extending e-dividend mandate to shareholders having the same name, address and CHN in a Registrar's records.
- Registrars were directed to render quarterly reports on CHN Mapping to SEC from Q1 2024.
- Registrars were also directed to ensure payment of all outstanding dividends to mandated accounts and ensure that such accounts have zero balance.
- The result of this initiative has been impressive





# ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE

## ❑ **Proposed Rule on Failed Payments of Dividend**

- A rule on failed payment of dividend by the Registrars has been proposed as an amendment to an existing rule on Opening of Account for Payment of Dividend in order to ensure successful and timely payment of dividend/ interest/coupon to investors where payments fail on first attempt, reduce build-up of unclaimed dividend and further improve investor experience in the Nigerian Capital Market.
- The proposed rule has been sent to the Rules Committee of the SEC and is undergoing the rule-making process.





## ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE..

### ☐ **Payment of outstanding dividends on accounts mandated for e-dividend**

- Registrars were requested to ensure prompt payment of all outstanding dividends to the mandated accounts and ensure that such accounts have **zero balances** or be sanctioned by SEC.

### ☐ **Flow of KYC on Secondary market transactions**

To further improve investor experience, the Committee ensured improvement in flow of investors' data from stockbrokers to CSCS and to Registrars. This further ensured dividend payment to investors without having to go through edmms.







## ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE..

### ❑ **Multiple Accounts Consolidation Exercise**

- During its meeting of November 2016, the CMC observed that one major source of unclaimed dividends remained the use of non-existent identity and multiple subscriptions to public offers.
- Following the approval of the Committee's recommendations, the Commission in the interest of the entire market decided to pardon this wrongful act.
- A forbearance window was opened which saw to the consolidation of about 47,583 multiple accounts, involving 6.116 billion shares of various public companies.



# ACHIEVEMENTS OF THE E-DIVIDEND MANDATE COMMITTEE

## ❑ **National Investor Protection Fund (NIPF) Rule**

- The Committee in 2022 assisted the Commission to draft the NIPF Rule to enable the Commission fast track the process of payment to investors whose unclaimed monies had been paid to the NIPF.
- The Rule was subsequently reviewed and approved by SEC.





## OUTSTANDING ISSUES

- Enlightenment campaigns: There is need for the SEC and market stakeholders to continue to drive an extensive nationwide enlightenment campaign on e-Dividend via radio, television and social media. Programmes in collaboration with National Orientation Agency can also be had.
- Identity management issues remain a serious challenge. It is noted that the issues are being handled by the Committee on Identity Management for the Capital Market, set up by the SEC.





## ACTIONABLE PLANS

We recommend that:

- CSCS should perfect the flow of data on secondary market transactions to Registrars
- Registrars must pay outstanding dividends to mandated accounts and ensure zero balance on the accounts or be sanctioned by SEC
- SEC should carry out thematic inspections on CHN Mapping
- The proposed rule on failed payment of dividend should be followed up to its logical conclusion to ensure its approval
- The DCS initiative should be closely monitored





## COMMITTEE MEMBERS

S/N	NAME		ORGANIZATION
1	HAFSAT O. RUFAI	CHAIRPERSON	SEC
2	ABDULRAZAK MOHAMMED	MEMBER	SEC
3	SANI MAIKAJI SHEHU	SECRETARY	SEC
4	SEYI OWOTURO	MEMBER	ICMR
5	JONATHAN EBORAH	MEMBER	ICMR
6	CATHERINE NWOSU	MEMBER	ICMR
7	OHAERI KENNETH	MEMBER	NGX
8	GBEKELOLUWA NUBI	MEMBER	NIBSS
9	SYLVIA NWAKWUE	MEMBER	CHBO
10	ALEX ALOZIE	MEMBER	CHBO
11	LAWRENCE ANOSIKE	MEMBER	ASHON
12	ANDY TSAKU	MEMBER	ASHON
13	ABDULLAHI HAMISU	MEMBER	CBN
14	TOBE NNADOZIE	MEMBER	CSCS
15	ONOME KOMOLAFE	MEMBER	CSCS



# Thank you

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