

SECURITIES AND EXCHANGE COMMISSION, NIGERIA



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**SPECIAL REMARKS DELIVERED AT THE OFFICIAL LAUNCH OF THE ASSOCIATION
OF SECURITIES EXCHANGES OF NIGERIA**

NIGERIAN STOCK EXCHANGE EVENT CENTRE LAGOS, NIGERIA

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PROTOCOL

Good morning, distinguished guests, ladies and gentlemen.

I am delighted to be here at this epoch-making event of the launching of the Association of Securities Exchanges in Nigeria.

Let me first commend the efforts of the various stakeholders who have made this Association a reality.

For so many years, the Nigerian Stock Exchange (NSE) was the only Securities Exchange in Nigeria. However, in recent years, we have witnessed the emergence of other exchanges such as the NCX, NASD, AFEX, and FMDQ. The Exchanges have contributed to deepening the market and expanded the scope of tradeable instruments in our market. The Securities Exchanges have contributed to capital formation and allocation of resources to help grow government and corporate institutions in Nigeria.

We reckon that NSE's critical role during the banking consolidation between 2005 to 2007 provided a liquid secondary market that served as a major attraction to investors who flocked in great numbers to invest in the public offers of the banks. Prior to the introduction of OTC Exchanges, there was opaqueness in the structure of trading shares of unlisted companies. The NASD OTC Exchange has helped improve efficiency, transparency, liquidity and price discovery in this regard.

The emergence of the FMDQ was a momentous development in the capital market. The FMDQ provided an active secondary market for bonds, which hitherto was none existent. The youthful vibe of the FMDQ has also brought about innovation in the fixed income market. On its part, the Commodities trading ecosystem has helped deepen the capital market, increase the number of product offering, and enhance agricultural and solid mineral production to spur economic development. The NCX and AFEX have helped foster the much-needed financial inclusion by exposing smallholder farmers to financial services, and rapidly developing the derivatives market as a risk management tool in commodities trading.

Permit me at this point to commend in a special way the NSE, for its critical role in the development and growth of some of the securities exchanges.

We recognize that the launching of the Association of Securities Exchanges does not remove the fact that the Exchanges are distinct institutions whose interest may sometimes not align, and as such, I wish to reiterate that this competition should be kept healthy for the protection of investors and development of the capital market.

Let me assure you of the Commission's commitment to the growth of this Association and the development of the various exchanges who are members of the Association. The Commission is stopping at nothing to amend existing rules and introduction of new ones toward developing and deepening the capital market. To sustain investor's confidence in the market, the Commission has maintained a zero-tolerance for market infractions. In this regard, we are stepping up awareness of the whistle-blowing mechanism. Furthermore, the Securities Exchanges will be held to high standards of Corporate Governance to send the right signal to the entire market.

As you all know, the market is gearing up for the introduction of Exchange Traded Derivatives and the securities exchanges play a critical role in its actualization, both in terms of products structuring and market integrity. As part of this effort, the Commission is building capacity internally and across various stakeholders. In this regard, the securities exchanges are enjoined to work more closely, especially in the area of shared services, to provide for more efficiency and cost effectiveness across their operations. This is one of the key recommendations of the Capital Market Master Plan (CMMP 2015-2025).

In conclusion, I will like to commend the doggedness and tenacity of those who worked selflessly to make this Association a reality. We hope the market will reap the huge benefits of this collaborative effort.

As an African proverb goes: *"If you want to go fast, go alone; if you want to go far, go together"*. As I stand here with you, I see a capital market that was founded on the values of partnership, the cooperation that has helped us stand the test of time. This is the Capital Market I see – one that is amalgamated on strategic cooperation and peaceful coexistence – A capital market for now and for the future.

The capital market of our dream can only be achieved if we as individuals, institutions, and corporations work together in the spirit of union and mutual help – Together, we can move the Capital Market to where it belongs. ASEN, you are not alone – The Commission is with you.

On this note, I congratulate the Association on the occasion of its formal launch and thank you all.

Mary Uduk, FCIB

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