



# **GUIDELINES ON REVISED MINIMUM CAPITAL FOR REGULATED ENTITIES**

**18<sup>th</sup> March 2026**

# 1. PRELIMINARY PROVISIONS

## 1.1 Legal Basis

These Guidelines are issued by the Securities and Exchange Commission (“the Commission”) pursuant to its statutory powers under the Investments and Securities Act, 2025 (“the ISA 2025”), and all other enabling laws and regulations, for the purpose of prescribing revised capital requirements for regulated capital market operators.

## 1.2 Status and Binding Effect

These Guidelines are binding on all regulated capital market operators and shall be complied with accordingly. Failure to comply shall attract such regulatory sanctions as may be prescribed by the Commission under the ISA 2025 and applicable rules.

## 1.3 Scope of Application

These Guidelines apply to all entities licensed, registered, or otherwise regulated by the Commission to perform capital market activities (“Capital Market Operators” or “CMOs”), including existing operators and applicants seeking new registration.

Where an operator performs multiple regulated functions, the operator shall comply with the capital requirement applicable to each function.

## 1.4 Transitional Arrangements

- a. Existing CMOs shall comply with the revised capital requirements on or before 30 June 2027.
- b. Compliance with the revised capital requirements shall be a precondition for the registration of all new CMOs from January 16, 2026.
- c. CMOs with pending applications for registration with the Commission as of January 16, 2026, must submit written board-approved plans to comply with the revised minimum capital requirement on or before 30 June 2027.
- d. All applicants whose applications have been pending for at least 12 months as of January 16, 2026, shall not be considered as having pending applications. They are required to file fresh applications for registration and comply with the revised minimum capital.

## OBJECTIVES OF THE GUIDELINES

The objectives of these Guidelines are to:

- a. Promote investor protection by ensuring that CMOs maintain adequate financial resources to absorb operational and market-related losses;
- b. Enhance the resilience, integrity, and stability of the Nigerian capital market;
- c. Establish a risk-sensitive and proportionate capital framework aligned with the nature, scale, and complexity of regulated activities;
- d. Support effective supervision and early regulatory intervention through clear capital adequacy standards; and

- e. Reinforce domestic and international confidence in the prudential soundness of the Nigerian capital market, consistent with IOSCO principles.

## 2. INTERPRETATION

For the purposes of these Guidelines, unless the context otherwise requires:

“**Capital Base**” means the shareholders’ funds of a regulated entity, comprising qualifying capital components net of accumulated losses as determined in accordance with these Guidelines.

“**Qualifying Capital**” means capital that is fully paid-up, freely available, unencumbered, and reserves capable of absorbing losses on a going-concern basis.

Other terms used but not defined herein shall have the meanings assigned to them under the ISA 2025 and relevant SEC Rules.

## 3. QUALIFYING AND NON-QUALIFYING CAPITAL COMPONENTS

### 3.1 Qualifying Capital Components

The following shall qualify as components of Capital Base, subject to verification by the Commission:

- a. Fully paid-up ordinary share capital;
- b. Fully paid-up irredeemable preference shares that:
  - i. Are non-redeemable;
  - ii. Are subordinated to all creditors; and
  - iii. Do not impose mandatory dividend obligations;
- c. Share premium arising from fully paid-up capital issued for cash or other eligible consideration;
- d. Retained earnings arising from audited profits less any unrealized gains.

### 3.2 Non-Qualifying Capital and Regulatory Exclusions

The following shall **not** qualify as capital for the purposes of these Guidelines:

- a. Revaluation reserves and gains from asset revaluation;
- b. Unrealized or fair value gains not crystallized in cash;
- c. Borrowed funds, shareholder loans, or other debt instruments, whether secured or unsecured;
- d. Client monies, client assets, or securities held in custody or trust;
- e. Contingent assets and deferred tax assets;
- f. Any capital subject to lien, charge, pledge, or encumbrance.

## **4. RECOGNITION OF CAPITAL AND RESERVES**

- 4.1** Only qualifying capital components reflected in audited financial statements not older than nine (9) months, or such other period as the Commission may approve, shall be recognized for the purpose of determining compliance.
- 4.2** The Commission reserves the right to require interim audited or revised financial statements where necessary for supervisory purposes.

## **5. MODES OF CAPITALISATION**

### **5.1 Capital Injection**

Capital may be injected through any of the following eligible means, subject to valuation and verification:

- a. Cash deposits;
- b. Quoted equity securities valued in accordance with Annex I;
- c. Units of Collective Investment Schemes valued in accordance with Annex I;
- d. Bonds issued by Federal, State, or Local Governments, supranational institutions, or corporate issuers rated not below investment grade;
- e. Unquoted securities actively traded on Commission-recognized OTC platforms, subject to liquidity and valuation criteria prescribed in Annex I.

### **5.2 Mergers and Acquisitions**

CMOs may achieve compliance through mergers, acquisitions, or business combinations, subject to:

- a. Prior notification to the Commission;
- b. Compliance with applicable SEC Rules on mergers and acquisitions; and
- c. Issuance of a formal “No Objection” by the Commission.

### **5.3 Downgrade of registration**

Regulated entities, on completion of their self-assessments, are allowed to submit proposals to downgrade/scale back their registered function(s) and apply for approval of the same.

## **6. DOCUMENTATION REQUIREMENTS**

### **6.1 General Requirements**

All filings shall include:

- a. Memorandum and Articles of Association;
- b. CAC Certified board and shareholders’ resolutions authorizing the increase in share capital, merger and Acquisition or change in registered function(s);
- c. CAC Certificate of increase in share capital;

- d. CAC Status Report.

## 6.2 Additional Documentation

Specific documentation requirements for each mode of capitalization are set out in Annex II to these Guidelines.

## 7. COMPUTATION OF CAPITAL BASE

7.1 CMOs shall compute their Minimum Capital Base strictly in accordance with the methodology prescribed in **Annex III**.

7.2 Every CMO shall maintain the applicable capital base **at all times**.

7.3 Any capital impairment or breach shall be reported to the Commission **immediately**, together with a remedial action plan.

## 8. FILING AND VERIFICATION

8.1 CMOs that have met the applicable capital requirements shall file for compliance through the Commission's designated electronic [portal](#), supported by verifiable evidence.

8.2 The Commission shall conduct capital verification before approval and may undertake routine, risk-based, or for-cause verification at any time.

## 9. CAPITALIZATION PLANS AND IMPLEMENTATION

9.1 Every existing CMO shall submit a board-approved capitalization or downgrade/ scale back of registration plan to [capitalbase@sec.gov.ng](mailto:capitalbase@sec.gov.ng) on or before **30 April 2026**.

9.2 The capitalization plan shall comply with the minimum content requirements set out in **Annex IV**.

9.3 The final deadline for recapitalization is **30 June 2027**.

## 10. ENQUIRIES

All enquiries relating to these Guidelines shall be directed to [capitalbase@sec.gov.ng](mailto:capitalbase@sec.gov.ng).

**MANAGEMENT**  
**SECURITIES AND EXCHANGE COMMISSION, NIGERIA**  
**18<sup>th</sup> March 2026**

## **ANNEX I**

### VALUATION RULES FOR NON-CASH CAPITAL INSTRUMENTS

- Valuation date: Close of business on the date of transfer
- Quoted securities: Official closing price or, as determined by the Commission
- CIS units: Latest published NAV
- Bonds: Market price
- Unquoted securities actively traded on any Commission-recognized OTC platforms

## **ANNEX II**

### DOCUMENTATION MATRIX BY MODE OF CAPITALISATION

#### Increase in Paid Up Share Capital

- The operator's letter or instrument of offer of shares (or additional shares) for subscription.
- Letters of acceptance of the offer by the subscribers.
- Appropriate CAC Documentation on allotment.
- Audited Accounts (or Management Accounts signed by two directors with an attestation letter by an external auditor showing that the accounts reflect a true and fair view of the financial position of the CMO as at the reporting period).

#### Injection of Cash

- Copy of cheque/ draft/ evidence of transfer/ Bank teller.
- Bank statement of account showing the credit of the funds.
- Receipt issued (evidencing payment) which must contain the name and address of the subscriber, amount, date, and purpose of payment.
- Audited Accounts (or Management Accounts signed by two directors with an attestation letter by an external auditor)

#### Transfer of Quoted Securities/Collective Investment Scheme

- Evidence of ownership of the securities by the subscriber.
- For corporate subscribers: Board resolution authorizing the transfer of shares/units.
- Confirmation that the securities are without any lien or encumbrances.
- Copy of the securities transfer instruction.
- CSCS statement/funds unit holding statement in the name of the regulated entity showing perfection of the transfer.
- Schedule of securities showing the number of units, market price, and total value at the date of transfer issued by the broker or fund manager.

## ANNEX III

### CAPITAL BASE COMPUTATION TEMPLATE

#### Qualifying Capital

- Paid-up ordinary share capital
- Irredeemable preference shares
- Share premium
- Retained earnings

#### Less:

- Accumulated losses

#### Capital Base

## ANNEX IV

### CAPITALIZATION PLAN – MINIMUM CONTENT REQUIREMENTS

1. Current capital position
2. Applicable minimum capital requirement
3. Proposed capitalization method(s)
4. Funding sources
5. Implementation milestones and timelines
6. Key risks and mitigants
7. Board approval and accountability framework

## ANNEX V

### REVISED MINIMUM CAPITAL FOR REGULATED CAPITAL MARKET ENTITIES

The revised Minimum Capital for regulated entities is set out below. All capital figures are stated in Nigerian Naira (₦).

Regulated Entities	2015 MC (₦)	Revised MC (₦)
<b>Brokerage Services:</b>		
<b>Broker</b> (client execution only)	200.00 million	600 million
<b>Dealer</b> (proprietary trading only)	100.00 million	1.00 billion
<b>Broker-Dealer</b> · client execution, proprietary trading, margin/securities lending, and advisory services.	300.00 million	2.00 billion
Sub-Broker (Digital)	10.00 million	100.00 million
Sub-Broker (Corporate)	10.00 million	50.00 million
Sub-Broker (Individual)	2.00 million	10.00 million
Inter-Dealer Broker	50.00 million	2.00 billion
<b>Fund/Portfolio Management Services:</b>		

<b>Regulated Entities</b>	<b>2015 MC (₦)</b>	<b>Revised MC (₦)</b>
<b>Tier 1 –Fund/Portfolio Managers (Full Scope)</b>		
<b>Level 1:</b> <ul style="list-style-type: none"> <li>Management of Collective Investment Schemes (CIS), Alternative Investment Funds (Private Equity, Venture Capital, Infrastructure Funds etc.) and Discretionary and Non-Discretionary Private Portfolio Management Services (NAV + AuM) of between ₦40.00 and ₦250.00 billion.</li> <li>Exposure to foreign instruments up to 40% of the (NAV + AuM).</li> </ul>	150.00 million	5.00 billion
<b>Level 2:</b> <ul style="list-style-type: none"> <li>Fund/Portfolio Manager with (NAV+AuM) of more than ₦250.00 billion</li> <li>Exposure to foreign instruments up to 40% of the (NAV + AuM).</li> </ul>	150.00 million	10.00 billion
<b>Tier 2 –Fund/Portfolio Managers (Limited Scope)</b> <ul style="list-style-type: none"> <li>Management of Collective Investment Schemes (CIS) and Discretionary and Non-Discretionary Private Portfolio Management Services (NAV + AuM) of not more than ₦40.00.</li> <li>Exposure to foreign instruments of not more than 20% of the (NAV+ AuM).</li> </ul>	150.00 million	2.00 billion
<b>Tier 3 – Alternative Investment Fund Managers:</b>		
Private Equity Fund Manager	150.00 million	500.00 million
Venture Capital Fund Manager	20.00 million	200.00 million
<b>Issuing House:</b>		
<b>Tier 1 –Issuing House with Underwriting</b> <ul style="list-style-type: none"> <li>Offers a ‘one-stop-shop’ for issuers.</li> <li>Provide underwriting services.</li> </ul> Renders advisory and product development services.	200.00 million	7.00 billion
<b>Tier 2 – Issuing House</b> <ul style="list-style-type: none"> <li>Non-Interest Finance services</li> <li>Advisory &amp; Arrangement services</li> <li>No underwriting</li> </ul>	200.00 million	2.00 billion
<b>Rating Agency</b>	150.00 million	500 million
<b>Registrar</b>	150.00 million	2.5 billion
<b>Trustees</b>	300.00 million	2.00 billion
<b>Underwriters</b>	200.00 million	5.00 billion
<b>Investment Adviser (Corporate)</b>	5.00 million	50.00 million
<b>Investment Adviser (Individual)</b>	2.00 million	10.00 million
<b>Central Counterparty (CCP)</b>	5.00 billion	10.00 billion
<b>Clearing and Settlement Company (CSC)</b>	200.00 million	5.00 billion
<b>Composite Securities Exchange</b> <ul style="list-style-type: none"> <li>Trading and Listing of all types of securities.</li> </ul>	500.00 million	10.00 billion
<b>Non-Composite Securities Exchange</b> <ul style="list-style-type: none"> <li>Focus on a single type of security, commodity, or financial product.</li> </ul>	500.00 million	5.00 billion
<b>Trade Repository</b>	100.00 million	150.00 million
<b>Capital Market Consultant (Corporate)</b>	5.00 million	25.00 million
<b>Capital Market Consultant (Individual)</b>	0.5 million	2.00 million
<b>Capital Market Consultant (Partnership)</b>	2.00 million	10.00 million

<b>Regulated Entities</b>	<b>2015 MC (₦)</b>	<b>Revised MC (₦)</b>
<b>Robo Adviser</b>	10.00 million	100.00 million
<b>Crowd Funding Intermediary</b>	100.00 million	200.00 million
<b>Ancillary Virtual Assets Service Providers (AVASPs)</b>	N/A	300.00 million
<b>Digital Assets Offering Platform (DAOP)</b>	500.00 million	1.00 billion
<b>Digital Assets Intermediary (DAI)</b>	N/A	500.00 million
<b>Digital Assets Platform Operator (DAPO) (including Token issuers)</b>	N/A	500.00 million
<b>Real-world Assets Tokenization and Offering Platform (RATOP)</b>	N/A	1.00 billion
<b>Digital Assets Exchange (DAX)</b>	500.00 million	2.00 billion
<b>Digital Assets Custodian</b>	500.00 million	2.00 billion
<b>Collateral Management Company (CMC):</b>		
<b>Tier 1 - National/International reach</b>	50.00 million	500.00 million
<b>Tier 2 – Local/ Regional Operations</b>	50.00 million	200.00 million
<b>Commodities Broker/Dealer</b>	10.00 million	50.00 million
<b>Commodities Broker</b>	7.00 million	30.00 million
<b>Commodities Dealer</b>	3.00 million	20.00 million
<b>Warehousing Operators</b>	50.00 million	500.00 million
<b>Custodian of Securities (Bank)</b>	200.00 million	As prescribed by the CBN
<b>Non-Bank Custodian</b>	-	50.00 billion + 0.1% of AUC
<b>Dealing Member Banks</b>	200.00 million	As prescribed by the CBN
<b>Nominee Company</b>	0.001 million	5 million
<b>Receiving Banker (Banker to an Issue)</b>	200.00 million	N/A