

# SECURITIES AND EXCHANGE COMMISSION, NIGERIA



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**Ag. Director General**

OPENING REMARKS AT THE 1<sup>ST</sup> SEMI-ANNUAL BUSINESS LUNCH MEETING OF  
THE ASSOCIATION OF ISSUING HOUSES OF NIGERIA (AIHN) FOR 2019

WHEATBAKER HOTEL, IKOYI, LAGOS

*Thursday, March 28, 2019*

1. PROTOCOL - The Honourable Minister of Finance, the President, Association of Issuing House of Nigeria (AIHN), other executive officers of the association, the Directors General of Debt Management Office (DMO) and Bureau of Public Enterprises (BPE), the Executive Chairman of the Federal Inland Revenue Service (FIRS), the Chief Executive Officer of FMDQ OTC Securities Exchange, the Leaderships of Capital Market Trade Groups and Operators, Industry Players, Members of the Press, Distinguished Guests, Ladies and Gentlemen.
2. I feel greatly honoured and delighted to be here today, to deliver the opening remarks at this 1<sup>st</sup> Semi-Annual AIHN Business Lunch Meeting for 2019, with the theme “**Capital Market Agenda for the Next Four Years**”.
3. The theme of this year's meeting is very apt and timely in view of the on-going initiatives and developments in the Nigerian capital market. It equally suggests that we should be forward looking, especially as our democratic experience evolves.
4. I therefore wish to congratulate the leadership and members of the AIHN, both for your role in the development of the Nigerian capital market and in organising this wonderful meeting.
5. The agenda for the capital market and that of the economy are complementary. For instance, the Nigerian economy needs to be diversified and grow consistently at a higher rate than the population. Equally, the capital market needs to grow its product offering, investor participation and capacity to channel long-term capital to productive use.
6. No doubt, the capital market presents a good platform for addressing many of Nigeria's economic challenges, while these challenges, in turn, provide opportunities for players in the capital market to showcase their potentials and advance business opportunities.

7. The Economic Recovery and Growth Plan (ERGP) is expected to continue to shape the economic narratives of the present administration for some years to come. The Plan has the objectives to: **(i)** restore growth through macroeconomic stability and economic diversification; **(ii)** build a globally competitive economy through investment in infrastructure, improvement in business environment and promotion of digital-led growth, and; **(iii)** invest in the Nigerian people through programmes on social inclusion, job creation, youth empowerment and improved human capital.
8. For the next four years therefore, the Nigerian capital market should continue to take advantage of relevant components of the Plan. These include opportunities in infrastructure funds, green bonds, mortgage-related securities and revenue bonds. Efforts should also be made to encourage privatisation through the Exchanges and take advantage of government reduced domestic borrowing to crowd-in private issuers of securities.
9. In addition, some emerging trends in the Nigerian capital market are already defining what the future will be. For instance, the recent development in terms of rules and investments in derivatives, commodities, green bonds and mutual funds are already setting the agenda for the next four years and beyond.
10. One thing that also stands out is the application of technology and innovation to capital market processes and products, especially in the area of FinTech. Both the regulators and operators must incorporate these developments in their agenda to guarantee their continuous relevance.
11. On our part as regulators, we shall continue to introduce policy initiatives towards developing and regulating a capital market that is dynamic, fair, transparent and efficient, to contribute to the nation's economic development.
12. Some of our recent activities point in this direction. The ten-year Capital Market Master Plan (2015–2025) has over 100 initiatives

designed to strategically position the capital market as an accelerator of development in our national economy.

13. As many of you are aware, the implementation of the Masterplan in the last 4 years has contributed significantly to where we are today, particularly on dematerialisation, demutualisation, minimum capital requirement, e-dividend mandate, non-interest capital market, among others.
14. In order to align the Masterplan with current realities on macroeconomic, political and market development fronts, we are now conducting its review and this will further reinforce the agenda for the capital market in the next 5 years.
15. We believe we can leverage the successes recorded so far to serve as impetus for other initiatives such as e-dividend, direct cash settlement as well as the regularisation of multiple accounts; so as to boost investors' confidence and enhance market liquidity now and in the nearest future.
16. A new agenda is equally being set in our recent efforts to develop e-IPO and automated filing/registration platforms. We recognize the importance of the e-IPO project in improving issuance processes, boosting market efficiency and encouraging more participation. The draft framework for its implementation has been developed and exposed to the market.
17. We are working to make effective the identity management process in the Nigerian capital market, to discourage identity theft and reduce the burden on investors. We are also addressing issues around transmission of shares related to the estate of deceased investors.
18. The future will witness enhanced collaboration among regulators, both within and outside the country for capacity and information sharing, as well as addressing cross-regulatory and jurisdictional issues. Locally, we are working with PENCOM, DMO, CAC, FIRS, CBN, BPE, NIPC and other strategic stakeholders to address issues

affecting the growth of our market. Many of these collaborations are yielding positive results, thereby improving the efficiency of our market processes.

19. Trade groups, such as AIHN, will play increasing roles as SROs in regulating the activities of their members, especially on the implementation of the Complaint Management Framework. Capital Market Operators will have to register with their respective Trade groups for proper recognition going forward. We are equally working on institutionalizing periodic meetings with the Heads of Trade Groups to define their roles and address their challenges.
20. I believe all these will contribute significantly in defining the **Capital Market Agenda for the Next Four Years**, and even beyond.
21. Given the profiles of today's panellists and the moderator, I am sure justice will be done to the theme and all of us will leave this venue more informed than we came.
22. Once again, I am very happy to be here.
23. I thank you all for listening and I look forward to a very fruitful discussion.

I wish you all fruitful and impactful deliberations.

Thank you.

**Mary Uduk, FCIB**

Ag. Director General

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