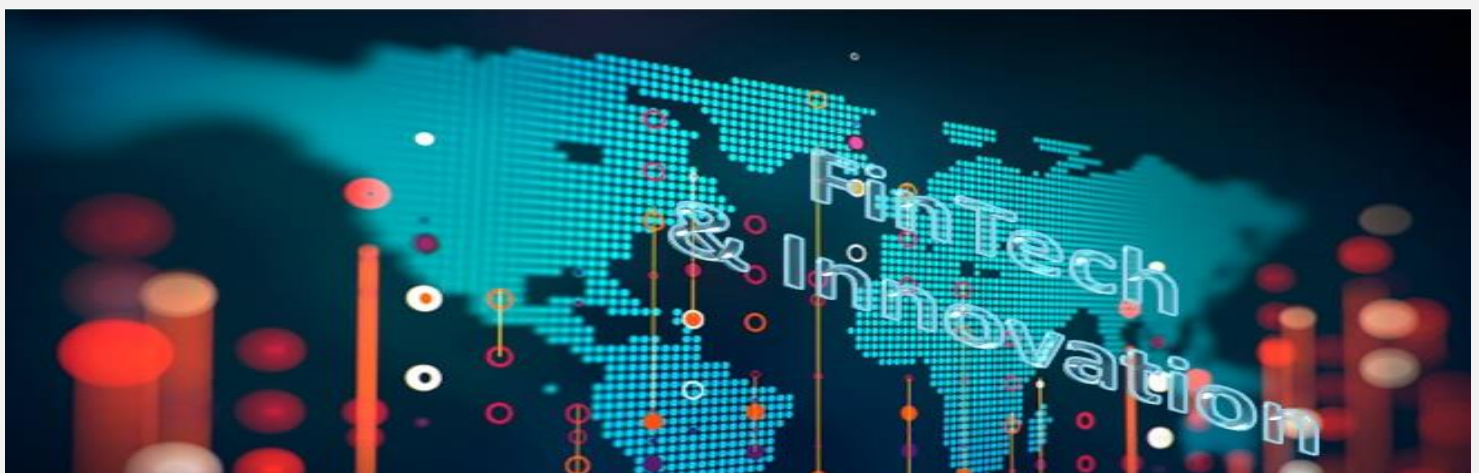




2021

SEC REGULATORY INCUBATION

Frequently Asked Questions (FAQs)



FREQUENTLY ASKED QUESTIONS ON SEC REGULATORY INCUBATION (RI)

Q1: What is the Objective of RI?

RI is designed to enable the Commission gain clearer understanding of new innovations in the Capital Market to ensure that it provides the necessary regulations that will both facilitate innovation and enhance investor protection and Market integrity. It entails the provision of basic requirements that allow potential operators (Fintech Firms) to operate under some prescribed but limited provisions for a specified period.

Q2: Who can apply for SEC Regulatory Incubation?

Any Company incorporated in Nigeria or licensed by a Securities Market Regulator in an equivalent jurisdiction offering or intending to offer innovative product, solutions or service or applying technology in an innovative way to provide investment and securities business in the Nigerian Capital Market.

Q3: Where should an application be submitted to?

All applications are completed and submitted online through the SEC website (www.sec.gov.ng/finport/). Access is granted based on pre-eligibility assessment

Q4: Is there a specific period for RI Application?

There is a specific period for applications which will be announced periodically. However Interested applicants need to complete an initial assessment form to first ascertain eligibility prior to each announcement.

Q5: Would application to be in the Regulatory Incubation incur any administrative fee(s)?

Applicants are required to pay a filing fee of ₦50,000. at the submission of initial assessment form and ₦200,000. at the submission of the RI application.

Q7: What happens to an application assessed ineligible for Regulatory Incubation

Firms found not to be eligible for RI will be advised by the Commission on the next course of action.

Q8: Are unsuccessful applicants refunded?

Both Initial eligibility assessment and RI application fees are non-refundable.

Q9: How long is the Regulatory Incubation Process?

The RI process is for a period of one Year. However, this period may be extended if the Commission determines the need for it

Q10: Can a FinTech Firm be asked to exit the RI before the expiration period?

A FinTech Firm may be asked to exit the RI if it is deemed ineligible to continue or when substantive rules are issued for regulation of the specific innovation

Q11: What happens if a Firm does not contact the Commission for eligibility assessment?

Firms operating illegally in the SEC Regulatory sphere without a SEC Registration or admittance into the RI process will face enforcement actions.

Q12: How long will an assessment of an RI application take?

The process of assessment and admittance into the RI program spans a period not exceeding 60-days.

Q13: Are FinTech Firms admitted into RI program recognised as SEC Registered Capital Market Operators (CMOs)?

Approval into SEC RI is **NOT** SEC Registration as a CMO. Successful Fintech Entrepreneurs at the end of the RI process are required to apply for a full SEC registration.

Q14. If I have made a submission already via the FinTech Assessment Form, do I need to make another submission to determine my eligibility for the RI program?

Yes. You will have to complete and submit a new FinTech Assessment form.

For more information, please visit innovation & FinTech Portal:

<https://sec.gov.ng/finport/>

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