

Investments and Securities Act 2025 in effect

Misstatements in Prospectus: Civil Liability, Criminal Liability

Categories of Securities Exchanges: Composite Securities Exchange + Non-Composite Securities Exchange

Auditors: Registration, Internal Controls, Penalties

Cross-Listings to continue and is a topical issue as it brings into focus West, East, Southern, Northern Africa synergies that can be explored to help increase Liquidity Levels, Further Price Discovery using African Investors in an African-African Nexus

Approval of corporate restructuring: It gives the SEC authority to approve corporate restructuring by public companies including conversions, carve-outs, spin-offs, and acquisitions or disposals of assets that significantly alter these companies' direction.

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The following is published as supplement to this Gazette :

Act No.	Short Title	Page
2	Investments and Securities Act, 2025	A33-225

<https://www.pwc.com/ng/en/publications/summary-of-key-changes-investments-securities-act-2025.html>

Summary of key changes to the Investment and Securities Act 2025



Recognition of virtual and digital assets as securities	Recognition of investment contracts as securities	Broadening the range of issuers eligible to make public offerings	Additional debt financial instrument to government and their agencies.	Regulations on registration of commodities exchanges and use of warehouse receipts
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B — CORPORATE RESPONSIBILITY OF PUBLIC COMPANIES

- 88. Filing of annual and periodic reports with the Commission
- 89. System of internal control of public companies
- 90. Auditors of public companies to register with the Commission
- 91. Duty of auditor to report on internal controls of public companies
- 92. Penalties for non-compliance with sections 90 and 91

- 111. Interpretation as to prospectus
- 112. Form of statement in lieu of prospectus
- 113. Civil liability for misstatements in prospectus
- 114. Criminal liability for misstatement in prospectus
- 115. Allotment of securities
- 116. No allotment below minimum subscription
- 117. Application money to be held in trust until allotment
- 118. Action for rescission

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PART V — REGISTRATION AND REGULATION OF SECURITIES EXCHANGES, FINANCIAL MARKET INFRASTRUCTURES AND OTHER SELF REGULATORY ORGANISATIONS

A — SECURITIES EXCHANGES

- 26. Registration of a securities exchange
- 27. Categories of securities exchanges
- 28. Conditions for registration of securities exchanges
- 29. Appointment and removal of chief executive and principal officers of a securities exchange
- 30. Responsibilities of a securities exchange
- 31. Securities exchange to maintain proper books of account
- 32. Approval of amendments to listing rules
- 33. Securities exchange to give notice of disciplinary actions
- 34. Review of disciplinary actions taken by a securities exchange
- 35. Power to issue directives to a securities exchange
- 36. Prohibition of trading in particular securities
- 37. Revocation of certificate of a securities exchange
- 38. Listing of a securities exchange or an exchange holding company on securities exchange
- 39. Responsibilities of exchange holding company
- 40. Disposal and acquisition of assets

B — FINANCIAL MARKET INFRASTRUCTURES

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- 42. Registration of financial market infrastructures
- 43. Protection of investors in a financial market infrastructure
- 44. Financial market infrastructure rules

“control” means control of an entity by a person who —

- (a) beneficially owns more than one half of the issued share capital or assets of the undertaking;
- (b) is entitled to vote a majority of the votes that may be cast at a general meeting of the company, or has the ability to control the voting of a majority of those votes, either directly or through a controlled entity of that person;
- (c) is able to appoint or to veto the appointment of a majority of the directors of the company;
- (d) is a holding company, and the company is a subsidiary of that company as contemplated by the Companies and Allied Matters Act, No. 3, 2020;
- (e) in relation to takeover means the acquisition or holding of, or entitlement to exercise or control the exercise of voting shares or voting rights of more than 30%, or such other threshold, as may be prescribed by the Commission;
- (f) in the case of an undertaking that is a trust, has the ability to control the majority of the votes of the trustees, to appoint the majority of the trustees or to appoint or change the majority of the beneficiaries of the trust;
- (g) in the case of the undertaking which is a nominee undertaking, owns the majority of the members’ interest or controls directly or has the right to control the majority of members’ votes in the nominee undertaking; or
- (h) has the ability to materially influence the policy of the undertaking in a manner comparable to a person who, in ordinary commercial practice, can exercise an element of control referred to in paragraphs (a)-(g);

27.—(1) A securities exchange may be registered by the Commission as a —

- (a) composite securities exchange; or
- (b) non-composite securities exchange.

Categories securities exchanges

(2) A composite securities exchange shall permit the listing, quotation and trading of all types of securities, commodities or financial products or instruments on its platform and shall perform such functions as may be prescribed by the Commission.

(3) A non-composite securities exchange may be registered by the Commission as —

- (a) a mono securities exchange which specialises in the listing, quotation and trading of a particular security, commodity, or financial product or instrument; or
- (b) an alternative trading system which provides trading systems that bring together orders from buyers and sellers and could be set in either a physical location or be made available for trading activities on the internet.

355.—(1) The Commission shall make rules and regulations for the purpose of giving effect to the provisions of this Act and shall in particular and without prejudice to the provisions, make rules and regulations which may include the underlisted and other incidental matters —

- (h) prescribing the procedure and criteria for regulating cross-border offerings, listing and trading of securities by foreign issuers, and free trade entities;

Source: <https://home.sec.gov.ng/our-mandate/regulation/acts/>
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