



S.O Oloruntimehin & Co.

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SECURITIES AND
EXCHANGE COMMISSION

**ADMISSION INTO THE REGULATORY INCUBATION
PROGRAM OF THE SECURITIES AND EXCHANGE COMMISSION**

The **Securities and Exchange Commission (SEC)** is the main body that regulates securities in Nigeria. It was empowered by the **Investment and Securities Act (ISA)** to act as the apex regulatory organization for the Nigerian capital market to carry out various functions and exercise all the powers prescribed in the ISA.

In its bid to regulate Fintech providers offering services in the investment and securities industry, the SEC introduced the Regulatory Incubation Program. The **Regulatory Incubation (RI)** Program is designed to address the needs of new business models and processes that require regulatory authorization to continue carry out full or ancillary technology-driven Capital Market activities. The RI Program was conceived as an interim measure to aid the evolution of effective regulation which accommodates the innovation by Fin Techs without compromising market integrity and investor protection.

The RI Program was scheduled to be launched in the third quarter of 2021 and will operate by admitting identified Fintech business models and processes in cohorts for a one-year period. The RI program is yet to launch but its expected to launch anytime soon. Participation in the program will encompass an Initial Assessment Phase and the Regulatory Incubation Phase. The categories to be admitted into each cohort will be determined based on submissions received through the FinTech Assessment Form and communicated ahead of each take-off date.

Steps for Admission into the Regulatory Incubation Program

Participation in the Regulatory Incubation Program will encompass an Initial Assessment Phase and the Regulatory Incubation Phase.

A. Initial Assessment Phase

	Activity	Applicable Timeline
Step 1	Fill the FinTech Initial Assessment (FIA) Form	N/A
Step 2	<p>Receipt of Response/Acknowledgment of Submission:</p> <ol style="list-style-type: none">1. Where a framework exists for regulating the applicant's innovation, guidance will be provided on the next steps.2. Where the proposed innovation is eligible for further consideration, but no framework exists for its regulation, the applicant will be directed to fill and submit the Regulatory Incubation (RI) Form.	
Step 3	Comply with steps provided in Step 2 above or fill and submit Regulatory Incubation Form as applicable.	Within 16 working days of confirmation of eligibility for entities proceeding to the RI Program.

<p>Step 4</p>	<p>Receipt of Response on submitted RI Form, which response can be any of the following:</p> <ul style="list-style-type: none">a) That admission has been granted to the RI Program. The Letter of Admission and the Terms and Conditions of Admission is sent;b) An indication of a future date when applicant will be admitted to the Regulatory Incubation Program;c) That the application has been rejected, reasons for rejecting the innovation and the next steps to take where application is declined.	<p>Within twenty (20) working days.</p>
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B. Regulatory Incubation Program

Step 1	File undertaking to abide by the terms, conditions and restrictions of admittance into the RI Program.	Within three working days of receipt of Letter of Admission into the Program.
Step 2	Commencement of Regulatory Incubation Program.	As detailed in Admission Letter.
Step 3	Receipt of feedback from the RI Team.	At the end of every quarter following commencement of the RI Program.
Step 4	Receipt of guidance on applicable regulatory regime and regulatory requirements.	By the 10th Month of admission
Step 5	Exit from the program with clear directives on next steps.	By the 12th Month of Admission except where an extension is granted.
Step 6	Commence operation as a registered entity or termination of activity where registration is not completed as directed.	

As can be gleaned above, the process is fairly easy. The Securities and Exchange Commission is making a concerted effort to support innovation and make it safe for investors, operators and the capital market in general.

Are you looking at enrolling for the Incubation Program? Why not contact us today to help you out.

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