

SEC Issues Circular on Revised Minimum Capital Requirements

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On the 16th of January 2026, the Securities and Exchange Commission ("SEC" or the "Commission") issued a circular pursuant to its statutory mandate under the Investments and Securities Act, 2025, revising the minimum capital requirements applicable to all categories of regulated capital market entities in Nigeria.

The review is informed by the Commission's objective to strengthen market resilience, enhance investor protection, align capital adequacy with the evolving risk profile of capital market activities, and ensure that regulated entities possess sufficient financial capacity to discharge their obligations in a sustainable manner.

Scope of Application

The Circular applies broadly to all entities regulated by the SEC, including but not limited to:

- Core and Non-core capital market operators.
- Market Infrastructure Institutions.
- Capital Market Consultants.
- Financial technology (FinTech) operators.
- Virtual Asset Service Providers (VASPs); and
- Commodity market intermediaries.

Regulated Entities	2015 MC (₹)	REVISED MC (₹)
A) CORE REGULATED FUNCTIONS:		
Brokerage Services:		
Broker (client execution only)	200.00 million	600 million
Dealer (proprietary trading only)	100.00 million	1.00 billion
Broker-Dealer 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 million
Inter-Dealer Broker	50.00 million	2.00 billion
Fund/Portfolio Management Services:		
Tier 1 –Portfolio Managers (Full Scope)	150.00 million	5.00 billion
Tier 2 –Fund/Portfolio Managers (Limited Scope)	150.00 million	2.00 billion
Tier 3 – Alternative Investment Fund Managers:		
Private Equity Fund Manager	150.00 million	500.00 million
Venture Capital Fund Manager	20.00 million	200.00 million
B) NON-CORE REGULATED FUNCTIONS:		
Issuing House:		
Tier 1 – Issuing House <ul style="list-style-type: none"> • Non-Interest Finance services • Advisory & Arrangement services • No underwriting 	200.00 million	2.00 billion

Tier 2 – Issuing House with Underwriting <ul style="list-style-type: none"> • Offers a 'one-stop shop' for issuers. • Provide underwriting services. • Renders advisory and product development services. 	200.00 million	7.00 billion
Rating Agency	150.00 million	500.00 million
Registrar	150.00 million	2.5 billion
Trustees	300.00 million	2.00 billion
Underwriters	200.00 million	5.00 billion
Investment Adviser (Corporate)	5.00 million	50.00 million
Investment Adviser (Individual)	2.00 million	10.00 million
C) Market Infrastructure:		
Central Counter Party (CCP)	5.00 billion	10.00 billion
Clearing and Settlement Company (CSC)	200.00 million	5.00 billion
Composite Securities Exchange	500.00 million	10.00 billion
Non-Composite Securities Exchange	500.00 million	5.00 billion
Trade Repository	100.00 million	150.00 million
D) Consultants:		
Capital Market Consultant (Corporate)	5.00 million	25.00 million
Capital Market Consultant (Individual)	0.5 million	2.00 million
Capital Market Consultant (Partnership)	2.00 million	10.00 million
E) Fintechs:		
Robo Adviser	10.00 million	100.00 million

Crowd Funding Intermediary	100.00 million	200 million
F) Virtual Asset Service Providers:		
Ancillary Virtual Assets Service Providers (AVASPs)	N/A	300.00 million
Digital Assets Offering Platform (DAOP)	500.00 million	1.00 billion
Digital Assets Intermediary (DAI)	N/A	500.00 million
Digital Assets Platform Operator (DAPO) (including Token issuers)	N/A	500.00 million
Real-world Assets Tokenization and Offering Platform (RATOP)	N/A	1.00 billion
Digital Assets Exchange (DAX)	500.00 million	2.00 billion
Digital Assets Custodian	500.00 million	2.00 billion
G) Commodity Market Intermediaries:		
Collateral Management Company (CMC):		
Tier 1 – Local/ Regional Operations	50.00 million	200.00 million
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Commodities Broker/Dealer	10.00 million	50.00 million
Commodities Broker	7.00 million	30.00 million
Commodities Dealer	3.00 million	20.00 million
Warehousing Operators	50.00 million	500.00 million
H) OTHER ENTITIES		
Custodian of Securities (Bank)	200.00 million	As prescribed by the CBN
Non-Bank Custodian	-	50.00 billion + 0.1% of AUC

Dealing Member Banks	200.00 million	As prescribed by the CBN
Nominee Company	0.001 million	5.00 million
Receiving Banker (Banker to an Issue)	200.00 million	N/A

Compliance Timeline

SEC has stipulated that all affected entities are required to comply with the revised minimum capital requirements on or before 30 June 2027. Entities that fail to meet the prescribed thresholds within the stipulated timeline may be subject to regulatory sanctions, including suspension or withdrawal of registration.

Transitional Arrangements

The Commission has indicated that, upon application and on a case-by-case basis, transitional arrangements may be considered where justified. Further guidance on compliance modalities and capital verification processes is expected to be issued separately.

Conclusion

The SEC's revised minimum capital regime represents a fundamental change in the Nigerian capital market's regulatory architecture. Regulated entities are encouraged to undertake early assessments of the impact of the revised thresholds on their capital structures, licensing positions, and strategic plans.

We will continue to monitor developments in the capital market space and remain available to support stakeholders with regulatory interpretation, impact assessments, capital structuring, and engagement with the Securities and Exchange Commission.

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