

**KEYNOTE ADDRESS BY CHIEF [DR.] JOSEPH O.  
SANUSI , CON, FCIB, GOVERNOR, CENTRAL BANK  
OF NIGERIA [CBN] AT THE PUBLIC LAUNCHING OF  
THE BOOK TITLED "NIGERIAN SECURITIES AND  
EXCHANGE COMMISSION" ON MARCH 6, 2003**

The Chairman of the Occasion,  
Director-General of Securities and Exchange Commission  
Managing Directors/Chief Executives of Banks  
Managing Director, Centre for Law and Development Studies  
The Author, Deacon Oba Ekiran  
Guests of Honour  
Reviewer  
Members of the Media  
Distinguished Guests  
Ladies and Gentlemen

I feel greatly honoured to be invited as the Chief Guest of Honour at this Public Launching of the book titled "Nigerian Securities and Exchange Commission: Two Decades of Operations", and for the opportunity given to me to present this keynote address. I also had the singular privilege of writing the "foreward" to the book, for which I am also grateful.

2. When I was approached by the author to be the Chief Guest of Honour and to deliver a Keynote Address at the Book Launch, I did not hesitate in accepting the invitation for two reasons: first is my sentimental attachment to issues that relate to the Securities and Exchange Commission (SEC), being its first Chief Executive Officer and second, is my very close association with the author of the book.

3. More importantly, the book has been dedicated to the Central Bank of Nigeria in recognition of the developmental role

the Bank played during the formative years of the Nigerian financial system, in general, and the capital market in particular. More specifically, the CBN focused on the important task of promoting the transformation of Nigeria's rudimentary financial structure into an efficient financial market environment that could support the planned accelerated development of the economy, as well as provide the appropriate institutional environment for effective conduct of the Bank's operations. On behalf of the Central Bank of Nigeria, I thank Deacon Oba Ekiran for his acknowledgement and kind gesture.

4. Perhaps a good starting point for my Address is with the Author himself. This is important because it would give us the opportunity to appreciate why the author ventured into writing a book on the Securities and Exchange Commission and, why I personally believe that there could not have been a more qualified person to write such a book. The Author, Deacon Oba Ekiran, had his first stint with the capital market more than two decades ago, when as a Manager, he was seconded by the Central Bank of Nigeria (CBN) in 1980 as one of the pioneer staff of the Securities and Exchange Commission, where he rose to the position of a Director before his voluntary retirement in June, 2000. With this kind of exposure and cognate experience, you will agree with me that the author is in a vantage position to write a book on the Nigerian Securities and Exchange Commission.

5. I wish to commend the author for his vision and efforts to document what I consider a very comprehensive account of the operations of the apex regulatory institution of the Nigerian capital market. This is particularly an important development, as the book will surely fill the current gap in the public understanding of the role of the capital market regulator in the Nigerian economy. I hope that this effort will be sustained, particularly by the likes of Deacon Ekiran, given the importance

of the capital market as a dynamic source of capital and vehicle for financial savings. As the securities markets continue to grow as a major provider of investible funds, the need for public enlightenment on the operations of the SEC becomes very important, and must be met.

6. Against the background of the phenomenal growth of the Nigerian Capital Market, there is a very urgent need to develop the capabilities and ethical standards of practitioners in the market in order to meet international standards. Indeed, Nigeria must be prepared to adopt the best practices in its operations, if it is to be integrated into the global market. The burden of this task falls on the SEC.

7. From all records available to me, the Nigerian Securities and Exchange Commission is up to the task. Indeed, in a recent report issued by the IMF on the Nigerian financial sector, the SEC has been described as "a competent organization with staff resources commensurate with the scale of market activity". I urge that this excellent performance will be sustained. Meanwhile, we should note the weaknesses in the current legal framework, which could constrain its efforts, and ensure that they are rectified, thereby providing the SEC with necessary powers to promote a vibrant capital market that we all can be proud of.

8. Given the dynamism and growth of the Nigerian financial system, I strongly believe that all regulatory and supervisory authorities in the country, including SEC and CBN, must be strengthened for enhanced efficiency and effectiveness. Moreover, the need for greater cooperation and coordination in their surveillance activities must be recognized. This would contribute substantially to a better functioning of the financial markets and enhance the growth performance of the economy.

In this endeavour, there are three critical areas that should be addressed collectively:

- (i) there must be concerted efforts and procedures to identify sources of systemic risks, with a view to formulating effective regulatory and supervisory policies to mitigate them.
- (ii) there also should be effective procedures to ensure that international rules and standards of best practices are developed and adopted, and ensure that gaps in such standards are effectively identified and filled; and
- (iii) there must be improved arrangements to ensure that consistent international rules and arrangements apply across all financial institutions, and there are procedures to ensure the continuous flow and exchange of information among regulatory authorities responsible for promoting financial stability.

9. Distinguished Ladies and Gentlemen, while it is not my duty to review the book, it is perhaps pertinent to say a few things about the book. The author provided a general overview of the developments in the capital market, and identified the factors, which motivated the establishment of the SEC. He also discussed the role of the SEC, including its pricing, surveillance and market development functions, as well as offered suggestions on how best to empower SEC to keep pace with the developmental aspirations of the Nigerian economy. I wish to add that a robust regulatory framework is essential for addressing the challenges of globalisation and the abuse of market power, thereby enabling the benefits of international capital flows to have a positive impact on the Nigerian economy.

10. I believe that this book will enrich our knowledge and enhance our understanding of capital market operation in Nigeria generally, and activities of the SEC in particular. There is no doubt in my mind that the book will serve as a good reference document on the nation's capital market. I, therefore, recommend it for general readership, especially to the operators, university students and those in authority.

11. Distinguished Ladies and Gentlemen, let me conclude my address by, once again, commending the author for this initiative. Writing a book is no mean task and it is not for the faint-hearted. You need to have the strength and patience to sit for long hours to put down your thoughts in the proper sequence; your diction must be good, and you have to make substantial sacrifices and perhaps have sleepless nights in order to come out with something meaningful. Last, but not the least, you must have the capacity to tolerate criticisms. A new book on issues relating to the capital market and its regulation, in this era of rapid communications and information technological changes in the country, is welcome, particularly against the background of the dearth of standard textbooks in such areas. To Deacon Ekiran, I say a big Congratulations on a successful book launch and I wish you many more years of fruitful writing for publication.

12. I thank you all for your kind attention.

Chief (Dr.) J. O. Sanusi, CON, FCIB  
Governor  
Central Bank of Nigeria

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