



Financial System Strategy 2020



FSS 2020 International Conference

“Capital Market”



Presentation Outline

- Industry/Sector Overview
- Current Position Assessment
 - Industry Structure (Players, Regulators, Products etc)
 - Industry Trends
- Industry Issues, Gaps & Key Success Factors
- Industry Vision and Mission
- Proposed Industry Model
- Strategic Objectives & Initiatives
- Implementation Plan & Timelines



Financial System Strategy 2020



Sector Overview



Industry/Sector Overview

- The History of the Nigerian capital market can be traced back to 1946, with the floatation of 300,000 pounds bond by the then colonial government to implement its 10-year development plan.
- In 1959, the Lagos Stock Exchange was established as a private company Limited by guarantee, and commenced operation in 1961.
- A year later, the Capital Issues Committee (CIC) was set up by the Central Bank of Nigeria (CBN) as an ad-hoc non-statutory committee, charged with the primary responsibility of regulating the timing of public issues.
- The Capital Issues Committee, transformed into the Capital Issues Commission, following the promulgation of the Capital Issues Commission Decree 1973.



Industry/Sector Overview

- In 1976, the Federal Government set up the Financial Systems Review Committee headed by Dr. Pius Okigbo, to study the structure and operations of the financial system and make recommendations to improve the market.
- A major recommendation made by the Okigbo panel was that the Securities and Exchange Commission (SEC) be established to replace the Capital Issues Commission. Consequently, the SEC was established in 1979 by the Securities and Exchange Commission Act 1979 (The SEC Act 1979). The SEC Act 1979 was later repealed and replaced by the SEC Decree 1988.
- Similarly, the Dennis Odife Panel was set up in 1996. Its recommendations to the Federal Government resulted in the promulgation of the Investments and Securities Act (ISA) No. 45, 1999. The ISA 1999 repealed and replaced the SEC Decree 1988.



Industry/Sector Overview

- The ISA expanded the regulatory and developmental responsibilities of the SEC to include oversight on venture capital activities, commodity and futures exchanges as well as collective investment schemes.
- Also SEC is to create awareness, build capacity, promote and strengthen critical institutions and facilities in the market.
- The ISA also provided for the establishment of Investments and Securities Tribunal (IST) charged with the responsibility of settling disputes arising from capital market transactions.



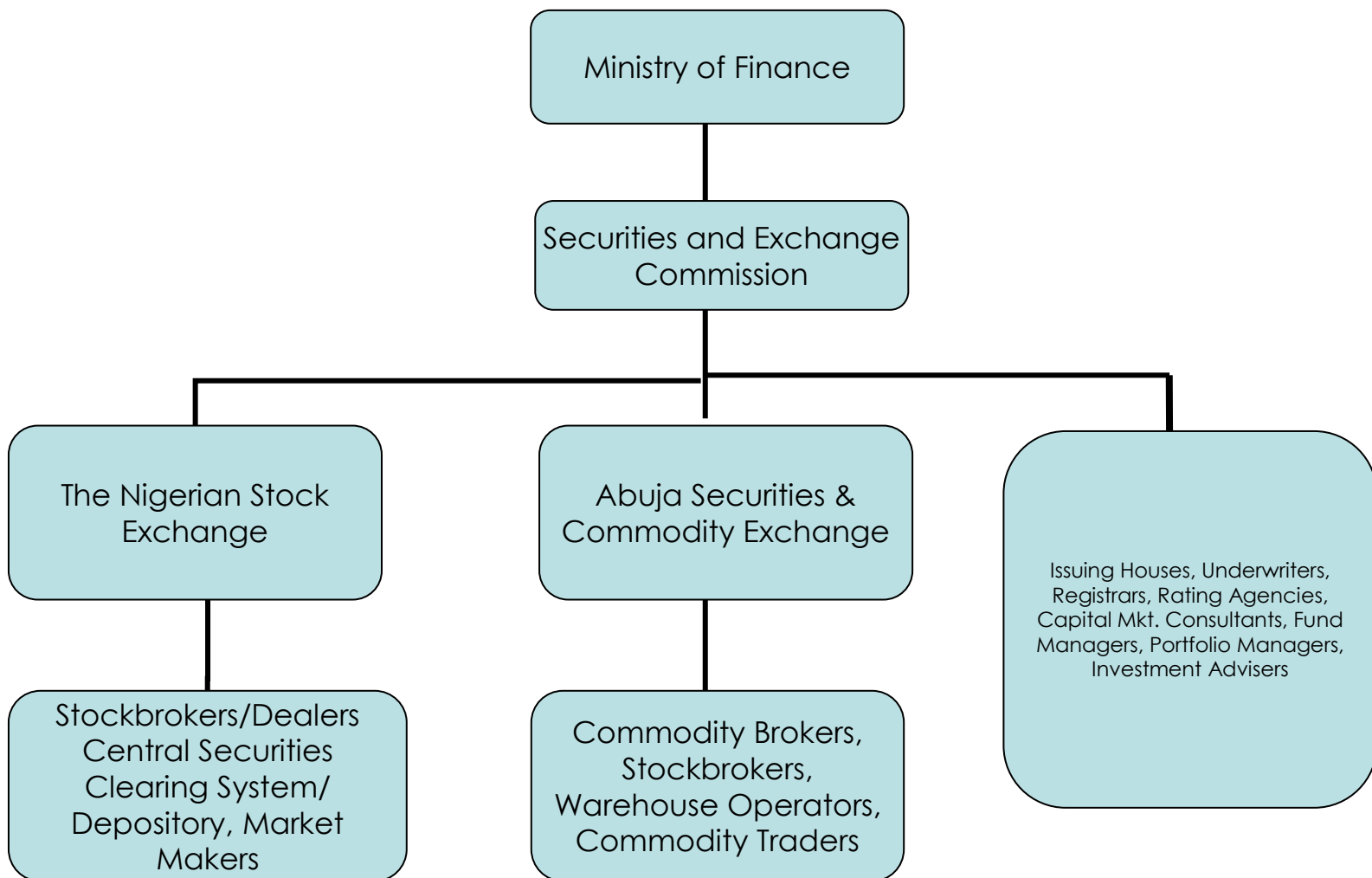
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NIGERIA: Current Position Assessment



Industry/Sector Structure: Players





Industry/Sector Structure: Regulators

SECURITIES AND EXCHANGE COMMISSION (SEC)

- With regards to developmental functions, SEC employs strategies such as public enlightenment programmes, promotion of new product and services, research, publications as well as capacity building through the recently established Nigerian Capital Market Institute (NCMI).
- For effective regulation of the market, SEC applies various regulatory/supervisory tools such as registration of market facilities, operators and securities to be traded in the market, monitoring/inspection, investigation, enforcement and rule making.



Industry/Sector Structure: Regulators

SEC cont...

- The SEC is the apex regulatory body in the Nigerian Capital market, empowered under the ISA No. 45, 1999, to regulate and develop the market under the supervision of the Federal Ministry of Finance. The regulatory oversight of the Commission covers all corporate bodies and individuals authorised to perform designated functions in the market. These include SROs like the Exchanges, the CSCS and other capital market Trade Associations.



Industry/Sector Structure: Regulators

NIGERIAN STOCK EXCHANGE (NSE)

- The NSE until 1977, known as the Lagos Stock Exchange was established in 1960 to provide a trading platform for securities. As an SRO, the NSE currently has over 136 licensed dealing members (as at April 2007). It has several branches spread across the country.
- It also performs market developmental functions in the area of capacity building, for example organisation of seminars, workshops and road shows.



Industry/Sector Structure: Regulators

ABUJA SECURITIES & COMMODITY EXCHANGE (ASCE)

- The ASCE was originally incorporated as a Stock Exchange on June 17, 1998 and was converted to a securities and commodity Exchange on August 8, 2001.
- The Exchange is of immense benefits to farmers, agro-commodity processors and merchants, as it serves as a veritable platform for them to mitigate the risks in marketing agricultural produce, while promoting commercial farming and quality control of produce.



Industry/Sector Structure: Intermediaries

■ **INTERMEDIARIES IN THE NIGERIAN CAPITAL MARKET**

Intermediaries in the capital market are corporate bodies and individuals who facilitate securities transactions. They include:

- Issuing Houses
- Stockbrokers/Dealers
- Investment Advisers
- Portfolio/Fund Managers
- Registrars
- Trustees
- Receiving Agents
- Receiving Banks
- Solicitors
- Auditors
- Reporting Accountants
- Commodity Broker



Industry/Sector Structure: Products

■ **New Products**

- Real Estate Investment Trusts (REITs)
- Mortgage Backed Securities
- Asset Backed Securities
- Exchange Traded Funds
- Ethical Products
- Islamic products
- Commodities Trading
 - Futures
 - Options

■ **Bonds**

- Mainly states and FG Bonds. Few Corporate Bonds

■ **Equities**

- Over 90% of trading activities are on equities



Industry/Sector Structure: Products

■ PRIMARY MARKET

- An analysis of the major indicators of activities in the market shows that it has experienced remarkable progress from 1999 to April 2007.



Table II: Number, Volume and Value of Issues Raised In the Capital Market (1999 – April 2007)

Year	Number	Volume (B'Shares)	Value (N'B)
1999	23	9.6	12.0
2000	21	3.4	17.2
2001	26	12.4	37.2
2002	33	16.1	61.3
2003	34	15.1	180.1
2004	49	46.8	195.4
2005	57	207.1	552.8
2006	68	85.8	702.1
April 2007	17	17.2	313.6

Source: SEC



Industry/Sector Structure: Products

■ SECONDARY MARKET

- **Trading Volume and Value:** Table III overleaf shows that the volume and value of securities traded on the Nigerian Stock Exchange witnessed impressive growth. The volume of securities traded rose from 3,923.0 million units in 1999 to 13,307.0 million units in 2003 (an increase of 239.20 per cent). By 2005, it had risen by more than 100 per cent to 26,694.3 million units and closed at 36,663.6 million units in 2006. As at April 30, 2007, the volume of traded securities stood at 37,242.1 million units.
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- In the same vein, the value of securities traded was N14.0 billion in 1999. By 2003, it had risen to N120.7 billion (about 3,259.3 percentage increase). By 2006, it had increased to N470.3 billion and closed at N475.2 billion as at April 2007.



Table III: Trading Activities on The NSE

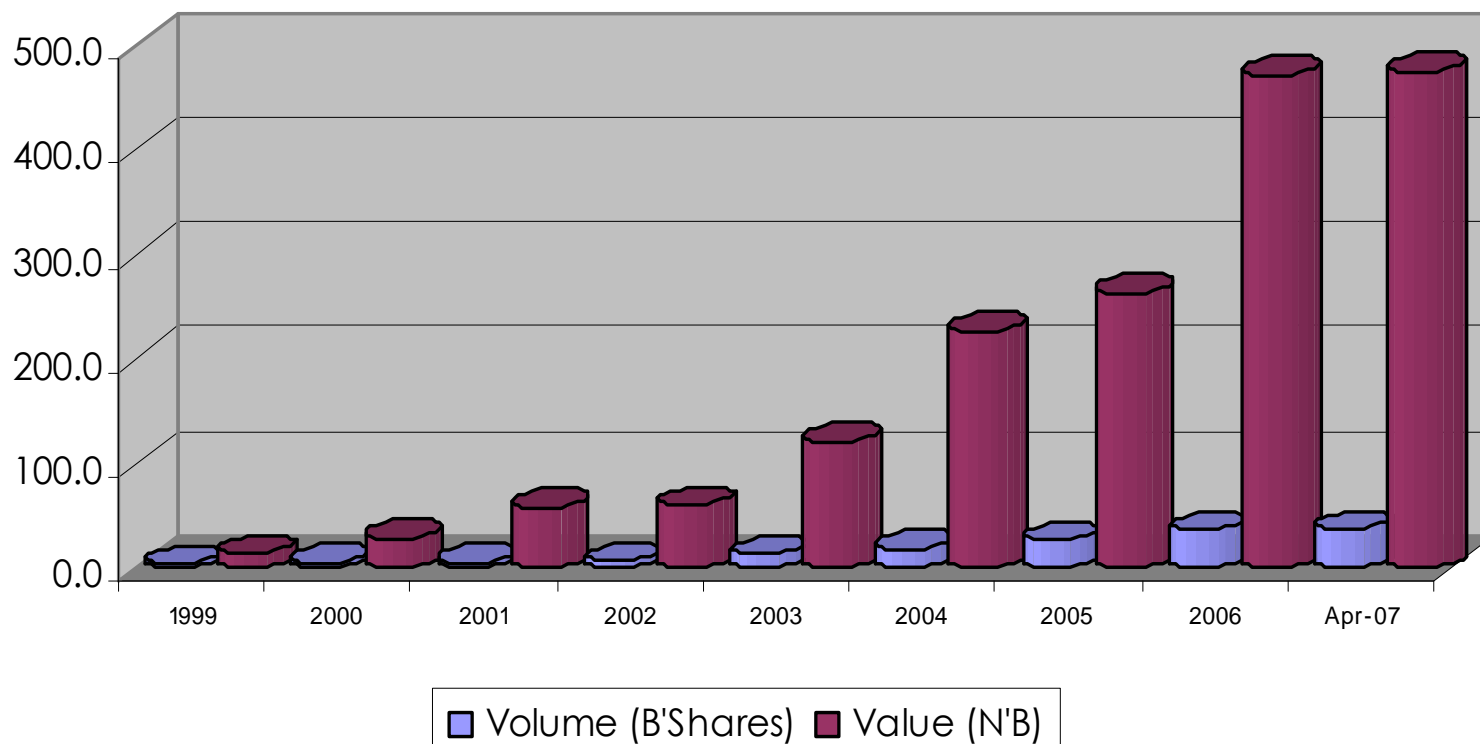
Year	Volume (Unit in million)			Value (N' Billion)		
	Equities	Debt	Total	Equities	Debt	Total
1999	3,913.6	9.4	3,923.0	14.0	0.0	14.0
2000	4,998.1	0.0	4,998.1	28.1	0.1	28.2
2001	5,890.8	27.1	5,917.9	57.6	0.0	57.6
2002	6,615.9	4.1	6,620.0	59.3	0.8	60.1
2003	13,242.1	64.9	13,307.0	113.9	6.8	120.7
2004	18,982.1	226.6	19,208.7	223.8	2.0	225.8
2005	26,493.7	200.6	26,694.3	254.7	8.2	262.9
2006	36,661.18	2.4	36,663.6	468.6	1.7	470.3
April 2007	37,242.1	0.00	37,242.1	475.2	0.00	475.2

Source: Compiled from data obtained from The NSE



Chart I: Total Volume & Value of Securities Trading

Total Volume and Value of Securities Traded on the NSE (1999-April 2007)



Source: Compiled from data obtained from The NSE



Industry/Sector Structure: Products

- **Market Capitalization:** The market capitalization of quoted stocks on the Nigerian Stock Exchange equally posted impressive rise. For instance, market capitalization which stood at N300 billion as at December 1999, rose remarkably to N1,359.2 billion at the end of 2003.
- As a result of the improvements, the contribution of market capitalization to Gross Domestic Product was impressive over the years as indicated in Table IV, Charts II and III in the following strides.



Table IV: Market Capitalization

Year	Equities (N'B)	Debt (N'B)	Total (N'B)	Market Capitalisation as % of GDP (%)	NSE All-Share Index (Points)
1999	294.5	5.5	300.0	9.4	5,266.4
2000	466.1	6.2	472.3	10.4	8,111.0
2001	648.4	14.2	662.6	9.6	10,963.1
2002	749.3	15.60	764.90	9.8	12,137.7
2003	1,325.6	33.60	1,359.20	13.7	20,128.9
2004	1,926.4	186.10	2,112.50	18.5	23,844.5
2005	2,524.8	375.30	2,900.10	19.8	24,085.8
2006	4,228.5	892.40	5,120.90	28.3	33,189.3
April 2007	6,748.1	1,018.2*	7,766.3	NA	47,124.0

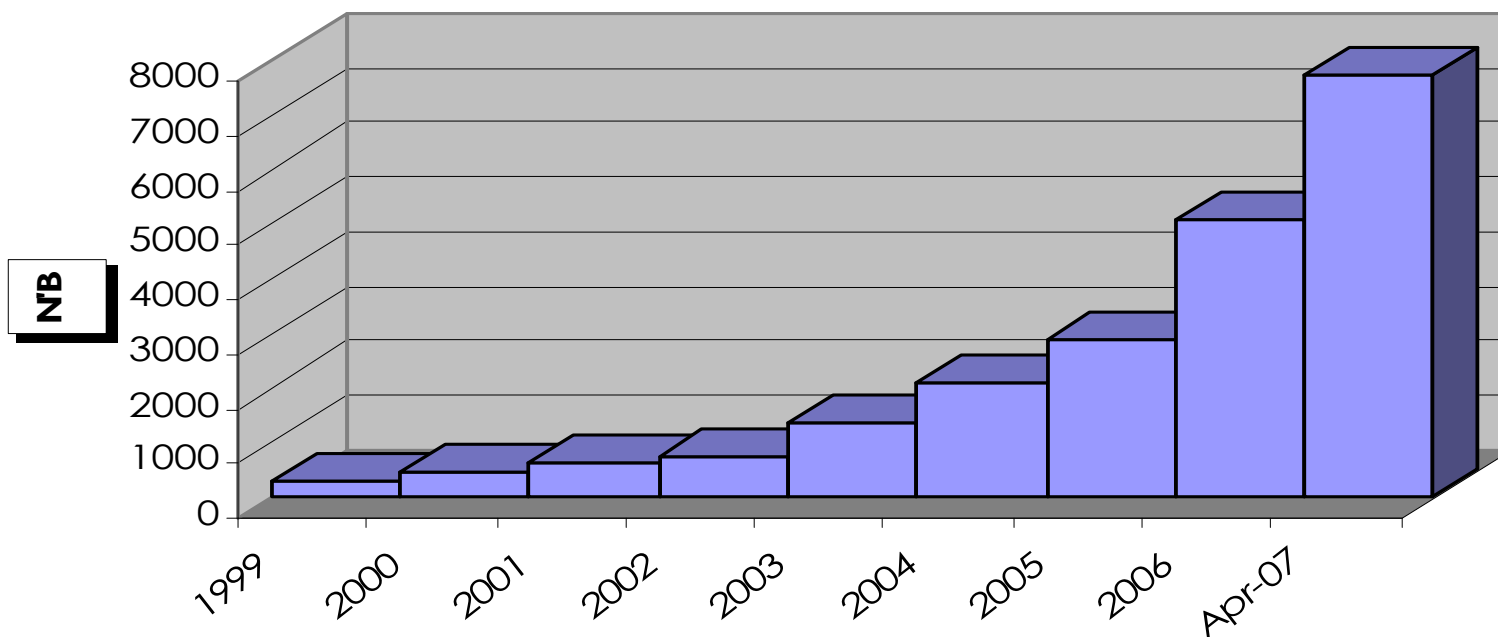
Source: Compiled from data obtained from The NSE and NBS

* The debt market capitalisation for April is provisional



Chart II: Total Market Capitalisation of Securities on The NSE

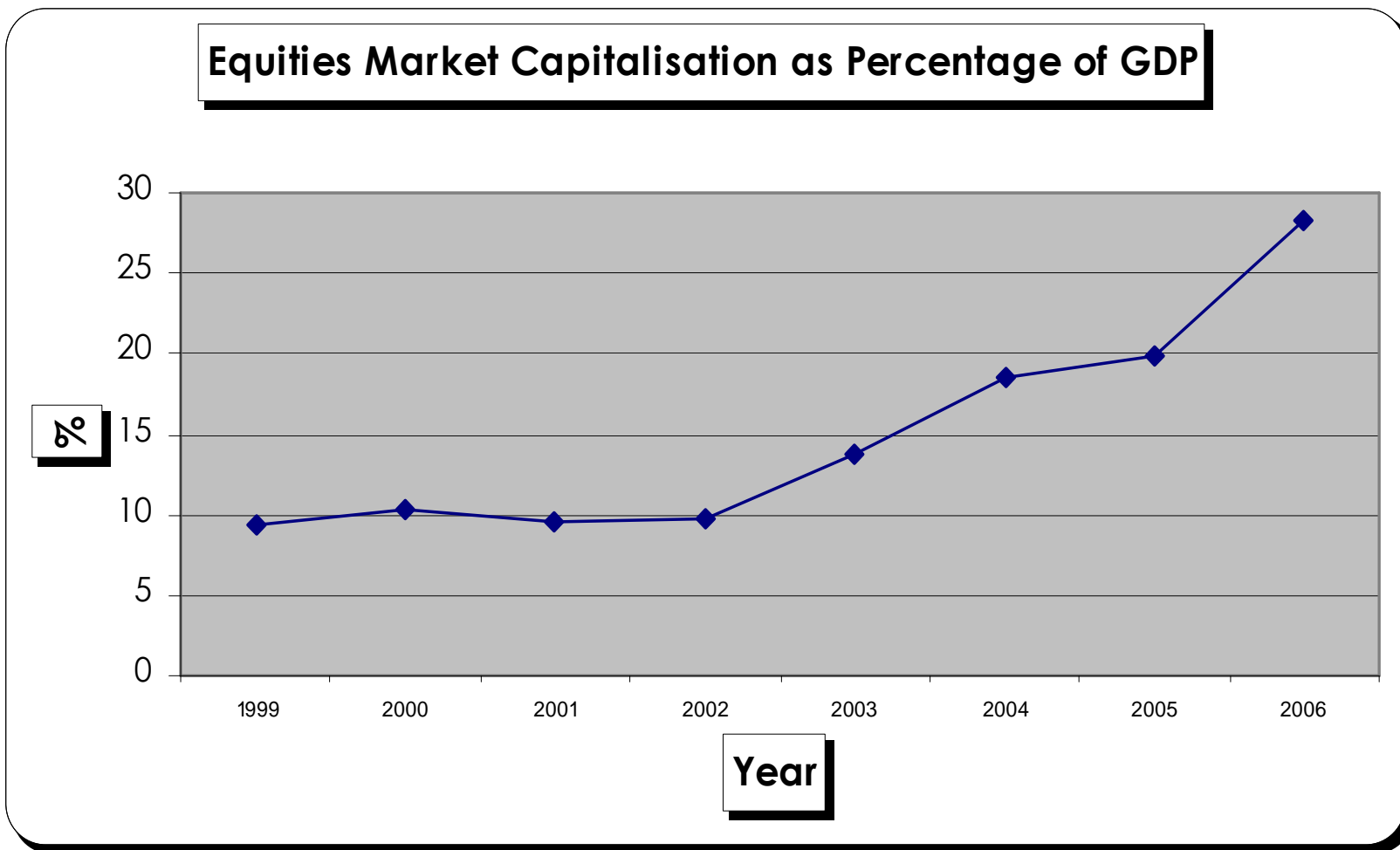
Total Market capitalisation of Securities on THE NSE (1999 - April 2007)



Source: Compiled from data obtained from The NSE and NBS



Chart III: Equities Market Capitalisation as Percentage of GDP (1999 – 2006)



Source: Compiled from data obtained from The NSE

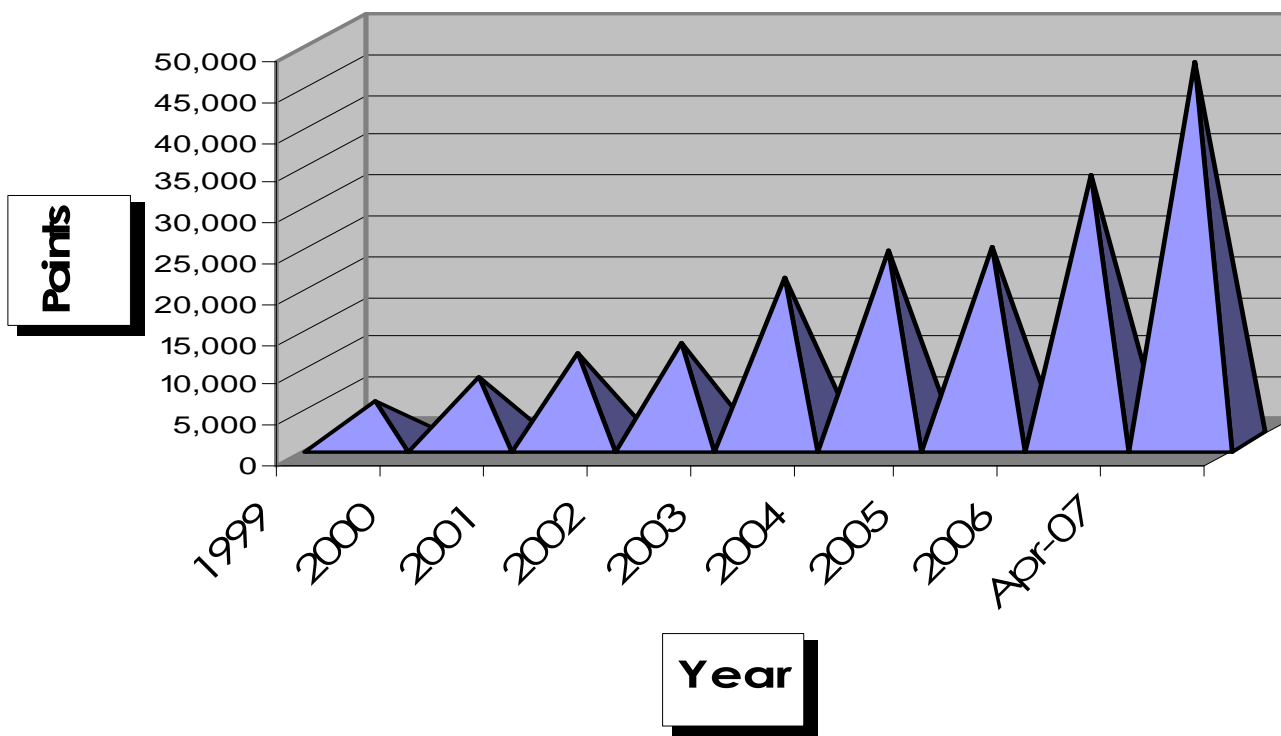


- **All-Share Index:** This index, which shows the movement of price of the equities listed on the NSE also increased as the share prices of most of the equities posted gains over the years. In 1999, the stock index was 5,266.4 points. In 2003, it moved up to 20,128.9 points. At the end of 2006, the index had risen to 33,189.3 points and appreciated further to 47,124.0 points in April 2007 as shown in chart IV (next slide)



Chart IV: The NSE Stock Price Movement

The NSE All-Share Index (1999 - April 2007)





- A comparative assessment of market capitalisation of the Nigerian market vis-à-vis other markets using World Bank publication showed the following.



Table V: Market Capitalisation of some Selected Stock Markets (2005)

Country	Market Capitalisation (US\$' Million)
Botswana	2,437.00
Brazil	474,647.00
Egypt	79,672.00
Ghana	1,661.00
India	553,074.00
Korea	718,180.00
Malaysia	180,346.00
Nigeria	19,356.00
Thailand	123,539.00

Source: 2006 World Development Indicators



Industry/Sector Trends

GLOBAL TRENDS

- Globally, capital markets are becoming increasingly dynamic with series of innovations in infrastructures, products and services. Consolidation of exchanges is the approach undertaken by older and more established exchanges to remain competitive.
- Therefore, the development of the capital market must be seen in the context of regional integration of markets. The Ghanaian and Nigerian SECs have collaborated on a number of issues through the instrumentality of the bilateral MoU signed in year 2002. Within the Anglophone West Africa, the Nigerian and Ghanaian Exchanges are the leading stock exchanges. Several other exchanges are being established to trade specific securities like commodities futures and exchange traded funds.
- New products such Assets Backed and Mortgage Backed Securities, Real Estate Investment Scheme, Ethical and Islamic capital market products, Hedge funds are being introduced to deepen the various market.



Industry/Sector Trends

- The quality of service delivery has also been enhanced through the automation of processes e.g. the introduction of electronic filing, e-trading, remote trading, e-po, e-bonus, e-dividend, shelf-registration and electronic issuance of securities.

Other global trends include:

- Linkages of Central Securities Depositories (CSD)
- Increase in corporate restructuring, mergers and acquisition
- Simplification of licensing structures (e.g. universal/investment banking license)
- Introduction of risk-based supervision and convergence of international financial reporting standard
- International cooperation and information sharing between jurisdictions through the instrumentality of the International Organisation of Securities Commissions (IOSCO) Multilateral Memorandum of Understanding (MMoU).



- **KEY ISSUES AND CHALLENGES**
 - **Technology and Market Infrastructure**
 - **Liquidity**
 - **Cost of Transactions**
 - **Lack of Integration of Securities Settlement**
 - **Ownership and Operational Control**
 - **International Participation**
 - **Banking/Capital Market Financing**
 - **Operational Capacity**
 - **Regulatory Framework**
 - **Investor Protection**
 - **Legal Framework**
 - **Development of the Bond Market**
 - **Enhanced Corporate Governance**
 - **Market Research and Innovative Instruments**
 - **Ratings Culture**



Industry Gaps

- The net effect of the challenges highlighted above will be to limit the capacity of the Nigerian capital market to attain the dream of becoming a leading financial hub for capital formation in Africa. In addition, the situation has limited the sector from contributing maximally to the economic growth and development of the nation.
- Issues like liquidity and cost, directly impact on the issuance of securities and the secondary trading in such securities as well as in attracting foreign investments.
- Having a multiple settlement system is inimical to the development of the market, as a functional integration of these systems would guarantee standardisation of services. The lack of investors' confidence would lead to an erosion of value and the market would not reach its apex of value creation.



Key Success Factors

- The Nigerian capital market has witnessed tremendous growth in recent years. This growth is attributable to the Federal Government economic reform programmes in the areas of Banks and Insurance companies consolidation, privatisation, pension reforms, mortgages as well as increased investor awareness, confidence in the market and relative political stability. The Nigerian stock market has experienced a bull run in the last ten years. For instance the all-share index has risen steadily from 5,672.7 points in 1998 to 47,123.99 points as at April 30, 2007. In the same vein, total market capitalisation has increased considerably from N262.5 billion in 1998 to N7,764.5 billion as at April 30, 2007.
- Capital market operators are also recently recapitalising in line with SEC directives. The next slide shows the current minimum requirement for capital market operators.



Table: New Minimum Capital Requirement for Capital Market Operators

S/N	Category of Operator	Minimum Paid-up Capital (N)
1.	Issuing House	2 billion
2.	Broker/Dealer	1 billion
3.	Trustees	40 million
4.	Fund/Portfolio Manager	500 million
5.	Corporate Investment Adviser	5 million
6.	Registrar	500 million
7.	Rating Agency	20 million
8.	Corporate Sub-Broker	50 million
9.	Underwriter	2 billion
10.	Receiving Banker	As stipulated by CBN
11.	Consultant (Individual)	500,000
12.	Consultant (Partnership)	2 million
13.	Consultant (Corporate)	5 million
14.	Individual Investment Adviser	500,000
15.	Venture Capital Manager	20 million
16.	Commodities Broker	10 million
17.	Capital Trade Point	20 million
18.	Stock/Commodities Exchange	500 million
19.	Clearing & Settlement Agency	1 billion
20.	Market Maker	2 billion

Source: SEC



Key Success Factors

- With the recent increase in the minimum capital requirement base, it is expected that operators in the market will form alliances to enhance efficiency and competitiveness.
- The increasing synergy in the financial sector has led some operating firms to become subsidiaries of established operators like banks and insurance companies. The goals of these activities are to position the players to have access to more capital and also to form alliances towards reaping benefits accruable from financial markets globalisation.



Financial System Strategy 2020



Sector Vision and Mission



Vision

“To be a leading financial hub for capital formation driven by transparency, innovation, efficiency and liquidity”.



Mission

“To be the preferred investment destination of long-term funds, that would spur economic growth and development in Africa”



Vivid Description of Vision

By the year 2020, Nigeria would be the leading market and preferred investment destination in Africa. The market will become the most transparent, innovative, efficient and the most competitive in Africa.



Strategic Objectives & Initiatives

- **Objective 1:** Foster a culture of securities innovation and development
- **Objective 2:** Foster and encourage liquid and efficient secondary markets for trading in securities
- **Objective 3:** Establish an Internationally Competitive Market Infrastructure
- **Objective 4:** Promote a strong knowledge-based capital market



Strategic Objectives & Initiatives

- **Obj. 1:** Foster a culture of securities innovation and development
 - Implement a programme to develop the bond, equities and other innovative securities markets **(in progress)**
 - NSE and ASCE should upgrade current listing rules to accommodate new instruments **(in progress)**
 - Streamline bond issuance process and implement recommendations of the Bond Steering Committee **(in progress)**
 - Simplify registration criterion for capital market functionalities while upholding market integrity and efficiency
 - Streamline and liberalise SEC registration process for non-exchange traded securities **(in progress)**



Strategic Objectives & Initiatives

■ Obj. 1 cont...

- Create and implement a formal OTC market for non-exchange traded securities **(in progress)**
- Create a shelf registration format for re-issuer's of securities **(done)**
- Create fast track registration and listing mechanisms for non-traditional issuer of securities subject to overriding principle of investor protection
- Strengthen underwriting activities
- Create more flexible primary market rules for securities issues targeted at institutional buyers.



Strategic Objectives & Initiatives

- **Obj. 2:** Foster and encourage liquid and efficient secondary markets for trading in securities
 - Continuous review of guidelines and rules for new instruments to capture issuer requirements
 - Dematerialisation of certificates and integrate registry functions in the Central Securities Depository **(in progress)**
 - Define operating guidelines for market makers and promote the market making functionality and facilities such as short selling, securities borrowing/lending **(in progress)**
 - Develop and implement a risk based capital adequacy framework for Broker/Dealers **(in progress)**
 - Create market linked/driven incentives to encourage consolidation of broker/dealers leading to stronger broker/dealers **(in progress)**
 - Encourage the emergence of a structured OTC market in unlisted securities **(in progress)**
 - Mandate the use of Rating Agencies **(already mandatory for Bonds)**



Strategic Objectives & Initiatives

■ Obj. 2 cont...

- Continuous review of the guidelines and rules to encourage cross-border listing, transactions and memberships
- Mandatory for listed companies to comply with Corporate Governance Codes
- Continuous review of fee structures and removal of “fixed” commissions **(done)**
- Create electronic vehicles for e-filing, e-trading, e-certificates, e-bonus, e-POs, etc to enhance capital market transactions **(in progress)**
- Develop and implement a clear regulatory framework for other trading platforms for fixed income securities (via broker license or via a new ATS license) **(in progress)**
- Decentralise trading but with required standards of disclosure of secondary activities that secure transparency e.g. on-line pre and post-trade price information of the market as a whole.



Strategic Objectives & Initiatives

- **Obj. 3: Establish an Internationally Competitive Market Infrastructure**
 - **Developed required standards that will enable integration of non-bank financial institutions (especially current NSE/CSCS, broker/dealers) into CBN payment system**
 - **Develop and deploy internationally competitive trading, clearing and settlement systems**
 - **Establish other trading platforms, e.g. Electronic Communication Networks, Virtual Exchanges, and Derivative Exchanges**
 - **Ensure adequate and competitive listing requirements for all exchange traded products**



Strategic Objectives & Initiatives

■ **Obj. 3 cont...**

- **Stipulate infrastructural standards for system wide IT networks in line with international convergence requirements**
- **Facilitate the linkages of local and regional exchange platforms**
- **Establish international CSD linkages for Central Securities Clearing System (the central depository must be open to and serve all trading platforms on an equal footing)**



Strategic Objectives & Initiatives

- **Obj. 4:** Promote a strong knowledge-based capital market
 - Continuously enhance capacity building
 - Introduce vocational and capital market focused qualifications or certifications for continued professional development of operators **(done)**
 - Increase collaboration with academic institutions to offer specialised courses on the capital market for service quality and specialised functionalities **(in progress)**
 - Foster a research driven and information led capital market and provide incentives to encourage research in the market
 - Create a Capital Market Databank (to capture all required and relevant information and processes) **(done)**
 - Create information pooling and sharing structures with local and international agencies **(in progress)**.



■ IMPLEMENTATION PLAN AND TIMELINES



Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing														
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Objective 1: Foster a culture of securities innovation and development	Medium																
Initiative 1: Implement a programme to develop the bond, equities and other innovative securities markets	Medium																
Initiative 2: NSE and ASCE should upgrade current listing rules to accommodate new instruments	Low	NSE & ASCE															

← SHORT TERM MEDIUM TERM LONG TERM →



Implementation Plan (Obj.1 cont...)

Objectives	Priority	Responsibility	Sequencing and Timing														
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Initiative 3: <i>Streamline bond issuance process and implement recommendations of the Bond Steering Committee</i>	Medium	FMF, SEC, & DMO															
Initiative 4: Simplify registration criteria for capital market functionalities while upholding market integrity and efficiency	High	SEC															
Initiative 5: <i>Streamline and liberalise SEC registration process for non exchange traded securities</i>	Low	SEC															

← SHORT TERM MEDIUM TERM LONG TERM →



Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing														
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Initiative 6: Create and implement a formal OTC market for non-exchange traded securities	Low	SEC															
Initiative 7: create a shelf registration format for re-issuer's of securities	Medium	SEC															
Initiative 8: Create fast track registration and listing mechanisms for non-traditional issuer of securities subject to overriding principle of investor protection	Medium	SEC/NSE															



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SHORT TERM **MEDIUM TERM** **LONG TERM**

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Implementation Plan (Obj. 1 Cont...)

Objectives	Priority	Responsibility	Sequencing and Timing														
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Initiative 9: <i>Strengthen underwriting activities</i>	Medium	SEC															
Initiative 10: <i>Create more flexible primary market rules for securities issues target at institutional buyers</i>	Medium	SEC															

← SHORT TERM MEDIUM TERM LONG TERM →


Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing																
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020			
Objective 2: Foster and encourage liquid and efficient secondary markets for trading in securities	Medium																		
Initiative 1: Continuous review of guidelines and rules for new instruments to capture issuer requirements	Medium	SEC																	
Initiative 2: Dematerialisation of certificates and integration registry functions in the Central Securities Depository	Low	SEC/NSE																	



Implementation Plan (Obj. 2 Cont...)

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 3: Define operating guidelines for market makers and promote the market making functionality and facilities such as short selling borrowing/lending	High	SEC														
Initiative 4: Develop and implement a risk based capital adequacy framework for Broker/Dealers	Low	SEC/NSE/ASCE														



← SHORT TERM MEDIUM TERM LONG TERM →



Implementation Plan (Obj. 2 Cont...)

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 5: <i>Create market linked/driven incentives to encourage consolidation of broker/dealers leading to stronger broker/dealers</i>	High	SEC/NSE														
Initiative 6: <i>Encourage the emergence of a structured OTC market in unlisted securities</i>	Low	SEC														
Initiative 7: <i>Mandate the use of Rating Agencies</i>	Low	SEC														

SHORT TERM
MEDIUM TERM
LONG TERM



Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 8: <i>Continuous review of the guidelines and rules to encourage cross border listing, transactions and memberships</i>	Medium	SEC														
Initiative 9: <i>Mandatory for listed companies to comply with Corporate Governance Codes</i>	High	SEC														
Initiative 10: <i>Continuous review of fee structures and removal of "fixed" commissions</i>	Medium	NSE/SEC/ ASCE and Market Operators														

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SHORT TERM
MEDIUM TERM
LONG TERM

Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 11: <i>Create electronic vehicles for e filing, e trading, e certificates, e bonus, e Pos, etc to enhance capital market transactions</i>	High	SEC/NSE/ASCE														
Initiative 12: <i>Develop and implement a clear regulatory framework for other trading platforms for fixed income securities (via broker license or via a new ATS license)</i>	Low	SEC														

← SHORT TERM MEDIUM TERM LONG TERM →



Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing														
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Initiative 13: <i>Decentralise trading but with required standards of disclosure of secondary activities that secure transparency e.g. on line pre and post trade price information of the market as a whole</i>	Low	SEC/ASCE/NSE															

← SHORT TERM MEDIUM TERM LONG TERM →



Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing														
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Objective 3: <i>Establish an Internationally Competitive Market Infrastructure</i>	High																
Initiative 1: <i>Developed required standards that will enable integration of non bank financial institutions (especially current NSE/CSCS broker/dealers) into CBN payment system</i>	Medium	SEC/CBN															
Initiative 2: <i>Develop and deploy internationally competitive trading, clearing and settlement systems</i>	Medium	SEC															

← SHORT TERM MEDIUM TERM LONG TERM →

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Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 3: <i>Establish other trading platforms, e.g. Electronic Communication Networks, Virtual Exchanges, and Derivative Exchanges</i>	Medium	SEC/Other Exchanges														
Initiative 4: <i>Ensure adequate and competitive listing requirements for all exchange traded products</i>	High	SEC/NSE/ASCE														
Initiative 5: <i>Stipulate infrastructural standards for system wide IT networks in line with international convergence requirements</i>	Medium	SEC/NSE/ASCE														





Implementation Plan (Obj. 3 Cont...)

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 6: <i>Facilitate the linkages of local and regional exchange platforms</i>	Medium	SEC/ASCE/NSE														
Initiative 7: <i>Establish international CSD linkages for Central Securities Clearing System (the central depository must be open to and serve all trading platforms)</i>	High	CSCS/SEC														

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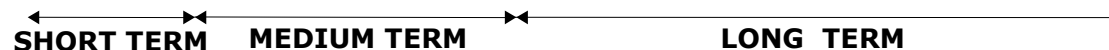
Implementation Plan

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Objective 4: <i>Promote a strong knowledge based capital market</i>	High															
Initiative 1: <i>Continuously enhance capacity building</i>	Medium															
Initiative 2: <i>Introduce vocational and capital market focused qualifications or certifications for continued professional development or operators</i>	Medium	SEC														

← SHORT TERM MEDIUM TERM LONG TERM →

Implementation Plan (Obj. 4 Cont...)

Objectives	Priority	Responsibility	Sequencing and Timing													
			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Initiative 3: <i>Increase collaboration with academic institutions to offer specialised courses on the capital market for service quality and specialised functionalities</i>	Medium	SEC														
Initiative 4: <i>Foster a research driven and information led capital market and provide incentives to encourage research in the market</i>	High	SEC														





Implementation Plan (Obj. 4 Cont...)

Objectives	Priority	Responsibility	Sequencing and Timing													
			2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Initiative 5: <i>Create a Capital Market Databank (to capture all required and relevant information and processes)</i>	High	SEC														
Initiative 6: <i>Create information pooling and sharing structures with local and international agencies</i>	High	CSCS/ASCE/NSE														

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Conclusion

- Ladies and gentlemen I thank you for your attention.