



Financial System Strategy 2020



FSS 2020 International Conference

Legal Framework



Presentation Outline

- Overview/Background
- Current Position Assessment
 - Structure (Players, Regulators, Services)
 - Recent Trends
- Issues/Challenges/Gaps of Current Situation
- Vision and Mission
 - Vision
 - Mission
 - Vivid Description of Envisioned Legal Framework
- Issues/Challenges That Can Prevent Attainment Of Vision
- Proposed Industry Model
- Strategic Objectives & Initiatives
- Implementation Plan & Timelines

Overview / Background

- **Nigeria's legal system has common law origins**
- **Presidential system of Government with enshrined separation of powers**
- **Law making powers are vested in the Legislature**
- **Judiciary is responsible for interpretation of law and legal adjudication**
- **Enforcement of the Law is vested in the Executive arm of Government which uses the Nigerian Police as its main enforcement agency**

Overview/Background

- **Structure at the Federal level is replicated in the 36 States of the Nigerian Federation**
- **The Country operates a bi-cameral legislature at the Federal level with a unicameral legislature at the State level**
- **Law making powers are clearly delineated between the Federal and State Governments**
- **Save for pensions, financial services legislation largely falls on the exclusive legislative list and is as such within the legislative purview of the Federal Government**



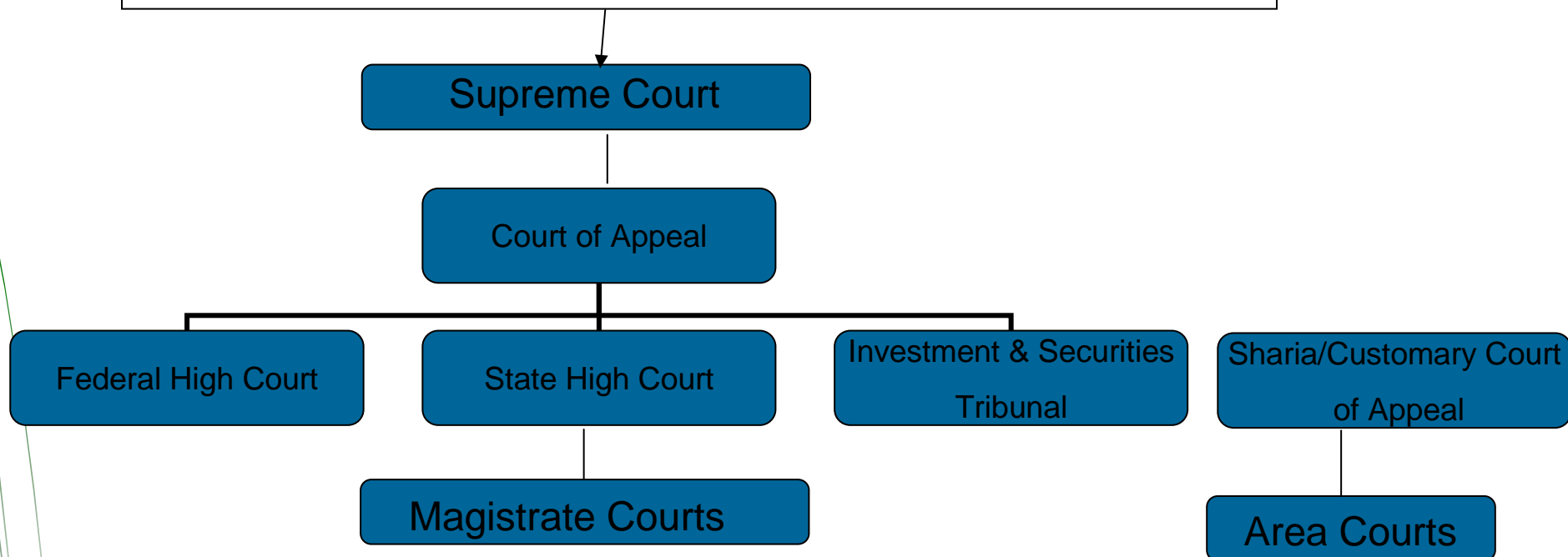
Current Position Assessment

KEY PLAYERS

- **Legal Practitioners/Consultants**
- **Judges**
- **Legislators**
- **The police**

Current Position Assessment

NIGERIA'S COURT SYSTEM





Regulation Of Key Players

	Legislators	Judges	Legal Practitioners	Capital Market Solicitors	Nigerian Police
Electorate	X				
National Judicial Council		X			
Police Service Commission					X
Body of Benchers			X		
Council of Legal Education			X		
Legal Practitioners Disciplinary Committee			X		
Nigerian Bar Association			X		
Securities & Exchange Commission				X	



Recent Trends/Developments

A. Efforts Towards Speedy Trials and Ease of Access to Justice

A. The Investment & Securities Tribunal

B. The Economic & Financial Crimes Commission

C. Modernisation and Computerisation of FCT Land Registry

D. Improved Legal Advisory capacities

E. Efforts towards Cyber Crime and E-Commerce Laws



Issues/Challenges/ Of Current Situation

- A. Slow and time consuming procedures in the Commercial judicial adjudication process**
- B. The absence of key legislation relevant to the new World**
- C. The existence of inhibiting provisions in our laws**
- D. Absence of efficient and reliable registries for collateral assets**
- E. Lengthy and time consuming procedures in the perfection of transfer and mortgages of real and collateral property.**



Vision & Mission

- **Vivid Description of our envisioned legal framework**

It's now the year 2020 and the legal framework for Nigeria's financial services is globally rated as sound and effective. Our financial services sector laws are consistent with modern realities. Our justice adjudication mechanism is fast and our well established commercial courts settle disputes with the same speed as is done in London. All collateral securities registries are functional and online real time. Nigeria is for the past five years consistently ranked as having the most sound legal system in Africa and international contracting parties within the African region with choice, freely subject their disputes to settlement under Nigerian Commercial laws.



Vision

“To make the legal framework for Nigeria’s financial services the most robust, globally competitive and market friendly among emerging markets by the year 2020”



Key Elements of Our Vision

- **Robust framework;**

The legal framework for our financial services must be strong, firm and extremely difficult to abuse. It must be based on transparency, integrity and efficiency.

- **Market Friendly;**

Our laws and regulations must be easy to apply, flexible, affordable and facilitative of innovation and creativity.

- **Global competitiveness;**

Our legal framework should be anchored on international best practices and be able to stand shoulder to shoulder with those of the most developed economies in terms of sophistication and pragmatic utility.



Mission

“To use law as a vehicle to fast-track the development of Nigeria’s financial services system to be the safest and fastest growing among emerging markets”.



Issues/Challenges That Can Prevent Attainment Of Vision

- A. Corruption & Other Economic & Financial Crimes**
- B. The absence of convergence in legislations**
- C. A weak law enforcement agency**
- D. Lack of Concerted Efforts Towards Trade Laws Harmonisation at the Regional level**
- E. Absence of Collateral Registries**



Proposed Model

An integrated legal framework based on the larger vision of the FSS 2020 Project to have an integrated financial services system for a number of reasons which include:-

- Globalization**
- Growth in financial supermarkets**
- Risk transfer between sectors**
- Attractions of 'one-stop' shopping**
- Economies of scale**



Strategic Objectives & Initiatives

Strategic objectives

- **Ensure justice sector reforms for speedy, transparent and easy resolution of disputes**
- **Ensure the convergence incidence of Legislation and regulation in the financial services Sector**
- **Ensure the creation of an appropriate Legal Framework for the International Financial Centre**
- **Ensure the promulgation of non existing laws and modernization of laws to enhance efficiency in our legal system**
- **Ensure easy, affordable and less time consuming procedures for perfection of property transfers and mortgages**
- **Ensure the harmonization of community trade laws and practices with a view towards progressive unification of trade and commercial laws among the ECOWAS and AU Countries**



Ensure Justice Sector Reforms For Speedy, Transparent And Easy Resolution Of Disputes

- A. Establish Commercial Divisions in all High Courts in the Major Commercial Cities of Nigeria**
- B. Establish a Debt Recovery Tribunal**
- C. Ensure the provision of modern equipment like Computers and Stenographers in all superior Courts in Nigeria**
- D. Automate judicial processes with linked data storage and management infrastructure/system linked across the Country and provide training to ensure its use**
- E. Create “Multi Door Court Houses” in all States of the Federation so as to entrench the use of ADR as a means of dispute resolution**
- F. Put in place specialized commercial courts for quick dispensation of justice in all states of the Federation**
- G. Ensure out a re-orientation of the Nigerian Police for efficient enforcement of the rule of law and legal rights**



Ensure The Convergence Incidence Of Legislation And Regulation In The Financial Services Sector

- **Enact a law to give statutory powers to the Financial Services Advisory Council**
- **Create a harmonized legislative framework for regulation of the financial services industry**
- **Expand the jurisdiction of the Investment & Securities Tribunal to cover the entire financial services and rename same as the Financial Services Tribunal**



Ensure the Creation Of A Sound Legal Framework For The Proposed Nigerian International Financial Centre

- **Enact a law to create the International Financial Centre as a financial free zone from among the Cities in Nigeria**
- **Enact a law to establish the International Centre Development Authority**



Ensure The Promulgation Of Non Existing Laws And Modernization Of Laws To Enhance Efficiency In Our Legal System.

- A. Enact all non existing Laws;**
 - **E-business and e-commerce**
 - **Cyber Crime**
 - **Anti trust and competition laws**
 - **Privacy Laws**

- B. Amend all inhibitive and limiting provisions in our laws;**
 - **Evidence Act**
 - **CAMA**
 - **Land use Act**
 - **Labour laws**
 - **CBN Act**
 - **BOFIA**
 - **Bankruptcy Laws**
 - **Insolvency Laws**
 - **NDIC**
 - **Insurance Act**
 - **NAICOM Act**



Ensure Easy, Affordable And Less Time Consuming Procedures In The Perfection Of Property Transfers And Mortgages.

- **Ensure the computerization of all land registries in the Country**
- **Ensure the automation and online linkage of all land registries in the Country**
- **Enact a Law to establish Registries for movable collateral assets.**
- **Establish Registries for movable collateral assets in all states of the Federation**



Ensure The Harmonization Of Community Trade Laws And Practices With A View Towards Progressive Unification Of Trade And Commercial Laws Among The ECOWAS And AU Countries

- **Facilitate the creation of an ECOWAS Law Commission to stimulate the harmonisation of trade and commercial laws in West Africa**



Timeline/Prioritization/Sequencing/Implementation Plan

Strategic Initiatives	Timeline (Year/Months)														Responsibilities	KPIs
	Short-Term		Medium-Term			Long-Term										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
	12	24	36	48	60	84	96	108	120	142	154	166	178	180		
Ensure Justice Sector Reforms For Speedy, Transparent And Easy Resolution Of Disputes.																
Establish Commercial Divisions in all High Courts in the Major Commercial Cities															The Various State Governments at the instance of the FSS 2020 implementation team.	The existence of commercial Divisions in all high Courts in Nigeria’s Commercial centres
Enact a law to create a Debt Recovery Tribunal.															National Assembly, Ministry of Justice, CBN	The law Comes into effect.
Establish Debt Recovery Tribunal.															Federal Government/Federal Ministry of Justice	Existence of these Tribunal.



Timeline/Prioritization/Sequencing/Implementation Plan Contd.

Ensure the provision of modern equipment like Computers and Stenographers in all superior Courts in Nigeria.																The Federal Ministry of Justice, State Governments and the FCT	The existence of this infrastructure.
Automate judicial processes with linked data storage and management infrastructure/system linked across the nation and provide training to ensure its use.																Ministry of Justice, National Judicial Institute, State Governments	Have the Infrastructure in place and working.
Establish specialized commercial courts for quick and specialized dispensation of justice in all states of the Federation.																National Assembly/Ministry of Justice/CBN	Existence of specialized commercial courts in all states of the Federation.
Establish "Multi-Door Court Houses" in all High Courts in the Nigeria																Ministry of Justice, State Governments and the Chief Judges of the respective High Courts.	The existence of these houses in all High Courts In the Country.



Timeline/Prioritization/Sequencing/Implementation Plan Contd.

Carry out a re-orientation of the Nigerian Police for efficient enforcement of the rule of law and legal rights.																Federal Government/ Ministry of Police Affairs and the Police Service Commission	A relatively efficient and effective police service.
Ensure the convergence incidence of legislation and regulation in the financial services Sector																	
Enact a law to give statutory powers to the Financial Services Advisory Council.																FSS 2020, National Assembly, Ministry of Justice, CBN, SEC etc	The coming into being of a legislation to that effect
Create a harmonized legislative framework for regulation of the financial services industry.																National Assembly, Ministry of Justice, CBN, SEC, NAICOM, etc	Have in place a unified legislation for financial system cast in the mould of the FSMA(UK)



Timeline/Prioritization/Sequencing/Implementation Plan Contd.

Expand the jurisdiction of the Investment & Securities Tribunal to cover the entire Financial services and rename same as the Financial Services Tribunal.																National Assembly, Ministry of Justice at the instance of FSS 2020 Implementation team	Have in place a Financial Services Tribunal
Ensure The Creation Of A Sound Legal Framework For The Proposed Nigerian International Financial Centre																	
Enact a law to create the International Financial Centre as a financial free zone from among the Cities in Nigeria.																National Assembly at the instance of the FSS 2020 implementation team	The coming into effect of a legislation creating the International Financial Centre.
Enact a law to establish the International Financial Centre Development Authority.																National Assembly at the instance of the FSS 2020 implementation team	Establishment of the Authority with Statutory powers.



Timeline/Prioritization/Sequencing/Implementation Plan Contd.

Ensure The Promulgation Of Non Existing Laws And Modernization Of Laws To Enhance Efficiency In Our Legal System.																
Enact all non existing Laws; E-business and e-commerce Cyber Crime Anti trust and competition laws Privacy Laws															National Assembly/Ministry of Justice	Enactment of these laws and their specific addition to the Laws of the Federation.
Amend all inhibitive and limiting provisions in our laws; Evidence Act CAMA Land use Act Labour laws CBN Act BOFIA Bankruptcy Laws Insolvency Laws NDIC Insurance Act NAICOM Act ISA															National Assembly/Ministry of Justice	Amended versions of these laws without inhibiting and limiting provisions.

Timeline/Prioritization/Sequencing/Implementation Plan Contd.

Ensure Affordable And Less Time Consuming Procedures In The Perfection Of Properties Transfers And Mortgages																	
Ensure the computerization of all land registries in the Country																The various State Governments of the Federation/ FCT	Existence of computerized land registries in all states of the Federation
Ensure the automation and online linkage of all land registries in the Country.																The various State Governments of the Federation/ FCT	Existence of infrastructure and ability to access the records of the land registries online.



Timeline/Prioritization/Sequencing/Implementation Plan Contd.

Enact a law to establish a Registry for movable collateral assets															The National Assembly, Federal Ministry of Justice at the instance of FSS 2020	The law comes into effect
Create registries for movable collateral assets															The various State Governments of the Federation/ FCT	Existence of these registries with most assets registered
Ensure The Harmonization Of Community Trade Laws And Practices With A View Towards Progressive Unification Of Trade And Commercial Laws Among The ECOWAS And AU Countries																
Facilitate the creation of an ECOWAS Law Commission to stimulate the harmonisation of trade and commercial laws in West Africa															ECOWAS General Assembly/ FGN	Existence of an ECOWAS Law Commission



CONCLUSION

- **...Good laws alone won't create the market...**
- **...but inadequate laws may shut the door of a potential market.**
- **...Customers who know you well may be less concerned about the law...**
- **...but the law may help building trust among those who don't.**