



BANWO & IGHODALO

FINTECH REGULATORY UPDATE

As part of its efforts at ensuring investor protection and encouraging innovation in the conduct of securities business in Nigeria, the Securities and Exchange Commission (“SEC”)’s issued [Rules](#) on crowdfunding (the “**Crowdfunding Rules**”) which became effective on January 21, 2021 (the “**Effective Date**”).

Under the Crowdfunding Rules, every person/entity operating a crowdfunding portal/digital commodities investment platform prior to the Effective Date was required to restructure its operations in compliance with the Crowdfunding Rules and apply for registration with the SEC no later than 90 days from the Effective Date (the “**Transitional Period**”).

By a statement issued on May 26, 2021, the SEC

has now extended the Transitional Period, which had lapsed on April 21, 2021, till **June 30, 2021**.

Accordingly, the SEC has directed all existing investment crowdfunding portals/digital commodities investment platforms that are yet to comply with the registration and other requirements under the Crowdfunding Rules to comply with the requirements or cease operations by **June 30, 2021**. Non-compliance would lead to the categorization of the operations of such platform as illegal and would also attract regulatory sanctions as stipulated in the Crowdfunding Rules.

For further clarification on the Crowdfunding Rules and compliance with its provisions, please contact any of our key contact persons below:

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