



**CLIENT UPDATE:**

**SEC REVISES MINIMUM CAPITAL  
REQUIREMENTS FOR REGULATED  
CAPITAL MARKET ENTITIES**

📍 LAGOS | ABUJA | CALABAR

## INTRODUCTION



The Securities and Exchange Commission ('SEC') pursuant to its statutory mandate under the Investments and Securities Act 2025, to regulate and develop the Nigerian capital market, issued a Circular dated 16<sup>th</sup> January 2026 on the revision of the minimum capital requirements applicable to all categories of regulated capital market entities in Nigeria.<sup>1</sup> The revised minimum capital framework replaces the minimum capital requirements introduced in 2015 and is aimed at strengthening market resilience, enhancing investor protection, and aligning capital adequacy with the evolving risk profile and complexity of market activities. The Circular takes effect from the date of publication.

## WHAT THIS MEANS FOR MARKET OPERATORS



The revised framework introduces higher minimum capital thresholds across a broad range of SEC-regulated entities, including core and non-core market operators, market infrastructure institutions, capital market consultants, fintech operators, virtual asset service providers and commodity market intermediaries.

The revised framework introduces significantly higher capital thresholds across several operator categories. For brokerage services, brokers executing client trades are now required to maintain a minimum capital of ₦600 million, while dealers engaged in proprietary trading must hold ₦1 billion. Broker-dealers providing combined services, including margin lending and advisory, are required to maintain ₦2 billion in minimum capital, and inter-dealer brokers must also meet a ₦2 billion capital threshold.

In the fund and portfolio management segment, tier-1 portfolio managers with assets under management exceeding ₦20 billion are required to maintain ₦5 billion in minimum capital, while tier-2 portfolio managers must hold a minimum capital of ₦2 billion. The Commission also increased the minimum capital requirements of private equity fund managers to ₦500 million and venture capital fund managers to ₦200 million.

## IMPACT ON BUSINESSES AND THE MARKET

All affected entities are required to comply with the revised minimum capital requirements on or before 30<sup>th</sup> June 2027. Failure to comply may lead to suspension or withdrawal of registration by the

<sup>1</sup> Revised Minimum Capital for Regulated Capital Market Entities <https://sec.gov.ng/for-investors/keep-track-of-circulars/revised-minimum-capital-mc-for-regulated-capital-market-entities/>

SEC. While the SEC may consider transitional arrangements on a case-by-case basis, firms are advised to assess early the impact of the new thresholds on their capital structures, business models, and licensing status. The revised framework is expected to encourage consolidation, strengthen financial soundness across the market, and support the orderly development of emerging segments such as digital assets and commodities markets. Market participants should also anticipate further guidance from the Commission on compliance modalities and capital verification processes.

***Disclaimer:** This client alert is intended for general informational purposes only and does not constitute legal advice. Specific legal advice should be sought on a case-by-case basis. Advocaat Law Practice disclaims all liability in respect to actions taken or not taken based on any or all of the contents of this alert.*