



REGULATORY UPDATE:

**SEC RELEASES THE REVISED MINIMUM CAPITAL
(MC) FOR REGULATED CAPITAL MARKET ENTITIES
DATED 16TH JANUARY 2026**

INTRODUCTION

The Securities Exchange Commission (SEC) issued Circular No 26-1 on 16th January 2026 (The Circular) which revises the Minimum Capital (MC) requirements applicable to all regulated capital market entities under the Investment and Securities ACT 2025 (ISA 2025) and particularly cast the legal drag net of SEC to include financial technology (FinTech) operators and Virtual Asset Service Providers (VASPs) in line with the new ISA 2025.

Prior to the ISA 2025, the regulatory regime the regulatory regime was largely limited in scope, with SEC oversight primarily focused on traditional capital market operators such as brokers, dealers, issuing houses, fund managers, trustees, and registrars. The ISA 2025, together with the circular, therefore, represents a significant shift towards a more inclusive and risk-based regulatory framework for Nigeria's evolving capital market ecosystem.

Particularly, this new circular has significantly increased the capital threshold across almost all the categories of operators and has introduced capital requirements for all regulated market entities and newly emerging market segments, particularly in digital assets and commodities markets.



OBJECTIVES OF THE REVISED FRAMEWORK

The objectives of the revised minimum capital are as follows;

- 1.To strengthen market resilience and financial soundness.
- 2.To enhance investor protection.
- 3.To align capital requirements with the risk profile and complexity of regulated activities.
- 4.To promote systemic stability.
- 5.To support innovation, including fintech, digital assets and commodities trading.

SCOPE

The circular applies to all SEC regulated entities, including but not limited to:

- 1.Core and non-core capital market operators;
- 2.Market infrastructure institutions;
- 3.Capital market consultants;
- 4.Fintech operators;
- 5.Virtual asset service providers (VASP); and
- 6.Commodity market intermediaries



CORE MARKET OPERATORS

Core market operators serve as the vital engine of the capital market. These are the individuals and institutions responsible for managing investors' funds and securities, executing trades, and ensuring market liquidity. Their central role also means that if they are undercapitalized or face disruptions, they can trigger systemic risks.

For instance, stockbrokers & Broker-dealers; Dealers trading with their own funds; Inter-dealer brokers and Fund & portfolio managers (mutual funds, Private Equity, Venture Capital, etc.)

THE REVISED MINIMUM CAPITAL FOR CORE OPERATORS

1. Core Regulated Functions

Regulated Entities	2015 MCR (₦)	Revised MCR (₦)
Broker (client trade execution only)	₦200,000,000	₦600,000,000
Dealer (proprietary trading only)	₦100,000,000	₦1,000,000,000
Broker-Dealer: client execution, proprietary trading, margin/ securities lending and advisory services	₦300,000,000	₦2,000,000,000
Sub-Broker (Digital)	₦10,000,000	₦100,000,000
Sub-Broker (Corporate)	₦10,000,000	₦50,000,000
Sub-Broker (Individual)	₦2,000,000	₦10,000,000
Inter-Dealer Broker	₦50,000,000	₦2,000,000,000

THE REVISED MINIMUM CAPITAL FOR CORE OPERATORS

2.Virtual Asset Service Providers

Regulated Entities	2015 MCR (R)	Revised MCR (R)
Ancillary Virtual Asset Service Providers (AVASPs)	N/A	R300,000,000
Digital Assets Offering Platform (DAOP)	R500,000,000	R1,000,000,000
Digital Assets Intermediary (DAI)	N/A	R500,000,000
Digital Assets Platform Operator (DAPO) (including Token issues)	N/A	R500,000,000
Real-world Assets Tokenization and Offering Platform (RATOP)	N/A	R1,000,000,000
Digital Assets Exchange (DAX)	R500,000,000	R2,000,000,000
Digital Assets Custodian	R500,000,000	R2,000,000,000

TIMELINE FOR COMPLIANCE

The circular took effect from the date of publication. All affected entities are required to comply with the revised minimum capital requirements on or before 30th June 2027. Non-compliance to the prescribed requirements within the stipulated timeline shall be subject to appropriate regulatory sanctions.

WHAT THIS CIRCULAR MEANS FOR FOUNDERS/PROJECT SPONSORS AND INVESTORS

With a compliance deadline of 30 June 2027, founders, project sponsors and investors should proactively: conduct capital adequacy gap analyses; engage regulators early where restructuring or transitional approvals may be required; and seek legal, financial, and regulatory advisory support to ensure seamless compliance. Particularly for Fintech operators and virtual assets providers, we note that compliance is non-negotiable.

In our view, this circular, this circular signals the SEC's clear regulatory intent to strengthen market integrity, reduce systemic risk, and institutionalise a more resilient capital market framework capable of supporting innovation and emerging asset classes, while ensuring that only well-capitalised and properly governed operators participate in Nigeria's evolving capital market ecosystem.

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If you would like to know more about the SEC revised minimum capital (mc) for regulated capital market entities, please contact info@berkeleylp.com

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