



REGULATION AND ISSUANCE OF COMMERCIAL PAPER IN NIGERIA

PRESENTATION TO THE MEMBERS OF AIHN BY SIS DEPT.

What is Commercial Paper?

- ✓ Short term debt obligations.
- ✓ Can be issued for tenors of up to 364 days in the Nigerian Capital Market.
- ✓ Issued by corporations with good credit rating.
- ✓ Liquidity: Tradable on Exchanges in Nigeria .

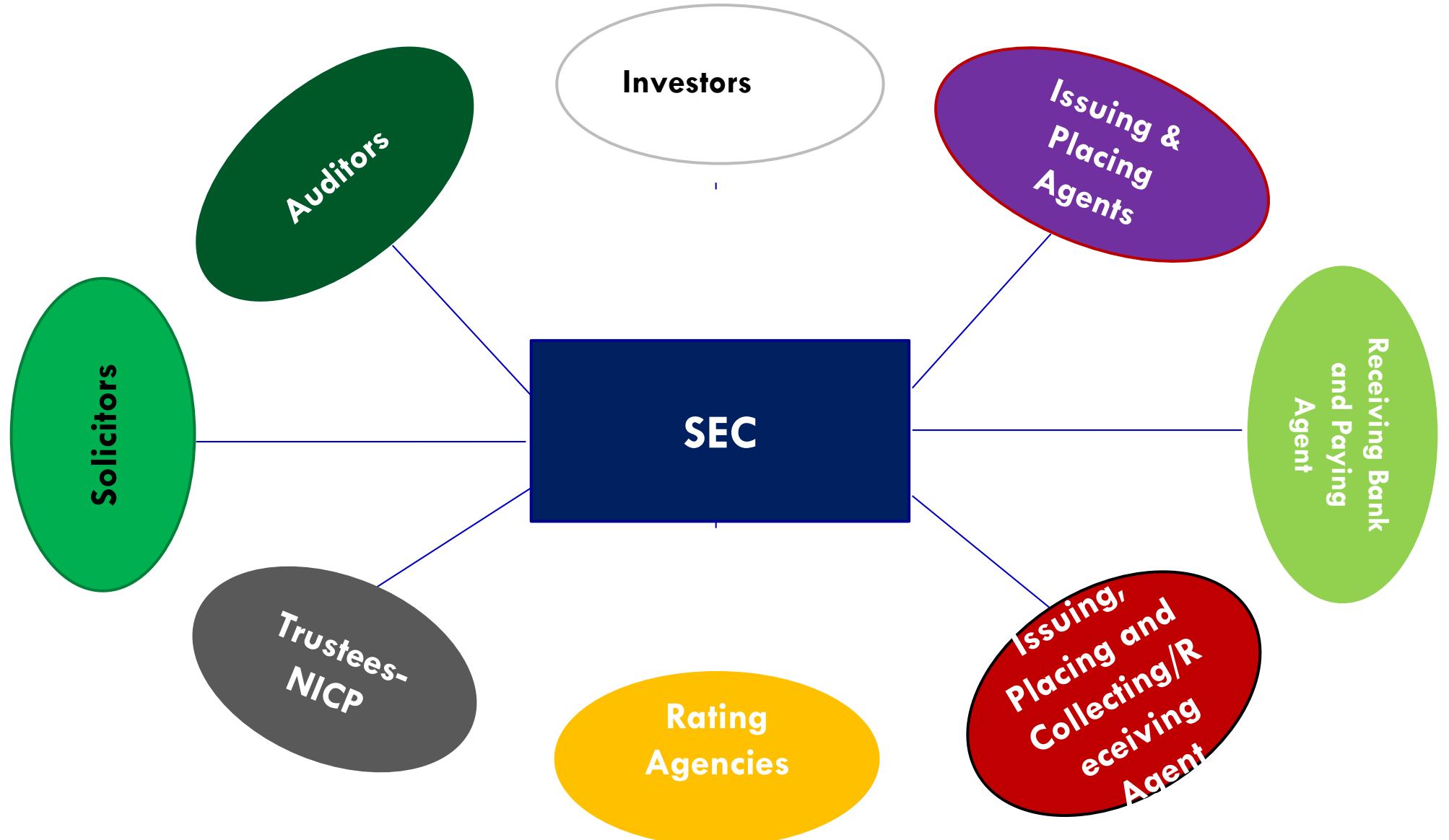


REGULATORY FRAMEWORK OF COMMERCIAL PAPERS IN NIGERIA

- **Investments and Securities Act 2025**
- **SEC Rules on Issuance of Commercial Papers (December 2024)**
- **CBN Guidelines on the Issuance and Treatment of Bankers Acceptances and Commercial Papers (11 September 2019)**
- **CBN letter to all deposit money banks and discount houses on Mandatory Registration and Listing of Commercial Papers (12 July 2016)**
- **Rules of Exchanges**



Key Players





- ✓ **Collecting/Receiving Agent:** A SEC-registered issuing house or a deposit money bank licensed by the CBN, that collects funds from investors on behalf of the Issuer.
- ✓ **Issuing and Placing Agent:** A SEC-registered issuing house or financial adviser that facilitates the placement of commercial papers with investors and registration of commercial papers with the Commission.
- ✓ **Issuing, Placing, and Collecting/Receiving Agent:** A SEC-registered issuing house or financial adviser combining the role of a collecting/receiving and issuing and placing agent.
- ✓ **Receiving Bank and Paying Agent:** A deposit money bank licensed by the CBN and registered by SEC as a receiving bank, that collects funds from and disburses payments to investors on behalf of the issuer.
- ✓ **Trustee:** A person or entity that administers assets under commercial paper/non-Interest commercial paper issues and carries out any other fiduciary responsibilities for the benefit of investors.

ELIGIBILITY OF COMMERCIAL PAPER ISSUERS



ELIGIBILITY CRITERIA	
1. Issuer must be a company duly incorporated under CAMA or other enabling law.	2. Issuer must have been in operation for a minimum of 5 years.
3. Issuer shall have 3 years audited financial statements, the most being not older than nine (9) months from the Issuer's last financial year end.	4. Where the commercial paper is guaranteed, the Issuer shall hold an approved credit or a comparable agreement with the guarantor.
5. Issuers shall attain a credit rating of investment grade from a rating agency registered with the Commission.	6. No Issuer shall offer commercial papers if it is currently in default of payment of interest or repayment of principal in respect of any existing debt issuances.
7. Where the issuer does not meet the eligibility requirements stipulated above, the commercial paper issuance shall be backed by a guarantor or such credit enhancement provider that meets the eligibility requirements.	8. Such other eligibility criteria as may be prescribed by the Commission from time to time.

CONDITIONS FOR COMMERCIAL PAPER ISSUANCE

CONDITIONS FOR ISSUANCE	
1. All Commercial Papers proposed to be issued shall first be approved by the Commission.	2. The credit rating of the Issuer shall not be below investment grade.
3. The maturity date of all outstanding Commercial Paper issues shall fall within the validity period of the Issuer's rating filed with the Commission. Where the rating will expire prior to the maturity of the Commercial Papers, the Issuer shall provide an extended or renewed investment-grade rating, no later than five(5) business days prior to the expiration of the initial rating	4. Commercial Papers shall be issued or sold to qualified institutional investors, high net worth individuals and retail investors.
5. Offerings of Commercial Papers by way of a private placement shall not exceed five (5) working days from the date the issue opens for subscription. Any unsold portion of the issue after five (5) working days of its opening for subscription shall not be issued.	6. For a public offer, the offer period shall not exceed ten (10) working days
7. Issuers of Non-Interest Commercial Papers shall also comply with all relevant laws, Shari'ah rulings, principles and standards as issued by Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI), or other standard setters, recognized by the Commission.	

MODE OF ISSUANCE

MODE OF ISSUANCE	
1. Commercial Papers may be issued as one-off issuances or series under a shelf programme in accordance with the Commission's Rules on Shelf Registration.	2. Commercial Papers shall be in the form of promissory notes and be issued at such discount to face value or interest rate, as may be determined by the Issuer.
3. Commercial Papers may be issued as securitized debt in form of asset-backed securities, mortgage-backed securities or such other securitised structure as the Commission may permit.	4. Every issue of Commercial Paper, and each Commercial Paper rollover shall be treated as a new and separate issue.
5. A Commercial Paper may be issued by way of public offer or private placement.	6. The minimum size of a Commercial Paper shall be One Hundred Million Naira (N100,000,000) or such minimum size as the Commission may stipulate from time to time.
7. A Commercial Paper issuance may be underwritten in line with the provisions of the Commission's rule on underwriting	

SUBSCRIPTION LEVEL



SUBSCRIPTION LEVEL

1. The minimum level of subscription for a Commercial Paper issuance shall be stated in the offer documents.

2. The minimum subscription level shall not be below 50% of the offer size.

3. Where a Commercial Paper is underwritten, the underwriting shall cover not less than the minimum level of subscription

4. Where a Commercial Paper not underwritten is below the minimum subscription level or less than 50% subscribed, the issue shall be aborted by the Issuer, and any subscription monies received shall be returned to the subscribers within two (2) business days of the closing date of the offer.

5. Where a Commercial Paper is issued for purposes of raising working capital only, the requirements of a minimum subscription level shall not be applicable.

TENOR AND ROLLOVER OF COMMERCIAL PAPERS

TENOR AND ROLLOVER OF COMMERCIAL PAPERS

1. Commercial Papers shall be issued for tenors not less than 30 days and not more than 364 days.
2. A Commercial Paper may be rolled over at maturity, provided that the initial issuance and the rollover cumulatively, do not exceed 364 days and a disclosure to this effect is made in the offer document of the initial Commercial Paper and subject to written consent of the investor(s).
3. A Commercial Paper shall be deemed a rollover where, the funds of the investors from the matured Commercial Paper issuance are withheld at the instance of the issuer for investment in a new or rollover Commercial Paper issuance; provided that the prior consent of the existing investors shall be sought before the rollover.
4. A Commercial Paper shall not be rolled over more than two (2) times and the combined tenors of the initial issuance and subsequent rollover(s) shall not exceed 364 days.
5. Where an investor objects to the rollover, the Issuer shall effect payment of the value of the Commercial Paper held by the investor on the maturity date based on the initial terms of the issue. Penalty of Five Million Naira (N5,000,000) in the first instance and Fifty Thousand Naira (N50,000) for every day the default continues.

REGISTRATION REQUIREMENTS FOR COMMERCIAL PAPERS

REGISTRATION REQUIREMENTS	
1. Resolution authorizing the issue.	2. Recently generated CAC Status Report
3. Memorandum and Articles of Association	4. A signed copy of the Issuer's latest audited accounts for the preceding 3 years
5. A draft prospectus	6. Draft Trust Deed or Programme Trust Deed (in the case of asset-backed Commercial Papers and Non-Interest Commercial Papers).
7. Draft Issuing, Placing and Collection/Receiving Agency Agreement (where applicable)	8. Draft Issuing and Placing Agency Agreement (where applicable)
9. Draft Paying Agency Agreement (where applicable)	10 Draft underwriting Agreement (where applicable)
11. Deed of Guarantee (where applicable)	12. Letter of "no Objection" from the relevant regulatory body (where applicable)
13. Details of any asset or collateral provided to secure the Commercial Paper Issue, or third party guarantee (where applicable)	14. Mandate letter from the issuer to the Sponsor
15. Letters of consent given by the parties to the issue, sworn to before a Notary Public or Commissioner for Oaths.	16. A sworn declaration that the issuer has fully disclosed all material facts in the document; signed by two directors and the company secretary.



REGISTRATION REQUIREMENTS FOR COMMERCIAL PAPERS CONT'D

REGISTRATION REQUIREMENTS

17. Schedule of claims and litigation of the issuer and the solicitor's opinion.

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18. Letter of confirmation of going concern from the directors of the issuer and auditor.

19. Evidence of payment of filing, processing and registration fees.

20. Any other document required by the Commission

N.B: For Series issuances under a registered Commercial Paper Programme, the Issuer shall file a pricing supplement disclosing a summary of the terms of the Commercial Papers to be offered

REGISTRATION REQUIREMENTS FOR NON-INTEREST COMMERCIAL PAPERS

REGISTRATION REQUIREMENTS

1. Evidence of appointment of a Shariah Adviser, who:
 - a. Has never been convicted of any offence arising from criminal proceedings;
 - b. Has never been declared bankrupt;
 - c. Possesses the necessary qualification and expertise in Islamic commercial jurisprudence and Islamic finance.

2. A Shariah compliance certificate/report in respect of the Non-Interest Commercial Paper, which shall outline the basis, rationale and structure of the Non-Interest Commercial Paper issue, and its compliance with the applicable Shariah principles and standards.

3. Outstanding Non-Interest Commercial Papers shall require Shariah recertification on a quarterly basis

POST-ISSUANCE REQUIREMENTS



POST-ISSUANCE REQUIREMENTS (REGISTRATION)

1. Executed Prospectus	2. Executed supplementary prospectus/pricing supplement
3. Signed and stamped Issuing, Placing and Collection/Receiving agent or Issuing and Paying Agency Agreement.	4. Signed and stamped Issuing and Placing Agency Agreement.
5. Signed and stamped Paying Agency Agreement	6. Signed and stamped Programme and Series Trust Deeds
7. Signed and stamped Deed of Guarantee	8. Form SEC 6
9. Signed and Stamped Underwriting Agreement	10. Power of Attorney (where applicable)

ALLOTMENT

1. No fresh offer of Commercial Papers shall be made unless the allotment with respect to any previous offer has been concluded or the offer aborted.

2. An allotment of Commercial Papers shall not be made, unless the sums payable on application for the amount stated in the prospectus have been paid.

3. In the case of oversubscription, the Issuer may absorb the entire oversubscription and a minimum modified pro-rating approach shall be adopted.

4. The Issuer and Sponsor shall within five (5) working days of allotment, publish the allotment on the Issuer's website.

5. The Commission may declare any irregular allotment of Commercial Papers null and void and may prescribe appropriate measures to rectify such irregularities.

SUMMARY REPORT ON COMPLETION OF OFFER



SUMMARY REPORT (WITHIN 10 WORKING DAYS OF ALLOTMENT)

1. Allotment Report	2. Issues arising generally from offer
3. Satisfactory compliance of parties with their obligations under the issue.	4. Details regarding the return of surplus monies
5. Status of listing of the securities at the exchange (where applicable)	6. Details and evidence of payment of net proceeds of the issue to the Issuer.
7. Analysis and total costs incurred during the course of the offer	8. Any other relevant information and recommendation.

LISTING OF SECURITIES AND UTILIZATION OF PROCEEDS



LISTING OF SECURITIES

1. Commercial Papers may be listed on a registered securities exchange
2. Such Commercial Papers shall be listed not later than seven (7) days after completion of allotment.

UTILIZATION OF PROCEEDS

1. The Issuer is prohibited from using proceeds of the issue for purposes other than those stated in the offer document without prior approval of the Commission.
2. The Issuer shall file with the Commission not later than 30 days after the conclusion of an issue, detailed information on the utilization of proceeds.
3. Evidence of such utilization shall be provided as appendix to the report. The rendition shall be on a quarterly basis until issue proceeds are fully utilized.

SANCTIONS/PENALTY

1. A penalty of not less than N5,000,000 (Five Million Naira) and a further sum of N50,000 (Fifty Thousand) for every day the violation continues.

2. Suspension, or withdrawal of the registration of the capital market operator(s) involved.

3. Disgorgement of proceeds/income from the transaction.

4. Ratification or Rescission of a transaction if it is in the interest of the public to do so.

5. Any other sanction the Commission deems fit in the circumstance.

COMMON MISTAKES

1. Grossly deficient filings on the e-portal.

2. Improper signing and execution of documents and agreements.

3. Failure to stamp executed agreements at the Federal Inland Revenue Service (FIRS).

4. Failure to file report on use of issue proceeds.

5. Failure to indicate that transaction documents were prepared in accordance with the SEC Rules on Commercial Papers.

6. Failure to obtain and/or file Letter of "No Objection" from relevant regulator.

7. Failure to upload schedule of allottees and evidence of remittance of issue proceeds to Issuer.

COMMERCIAL PAPER E-PORTAL



testportal.sec.gov.ng/admin/securities

SEC NIGERIA
SECURITIES AND EXCHANGE COMMISSION, NIGERIA

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Securities

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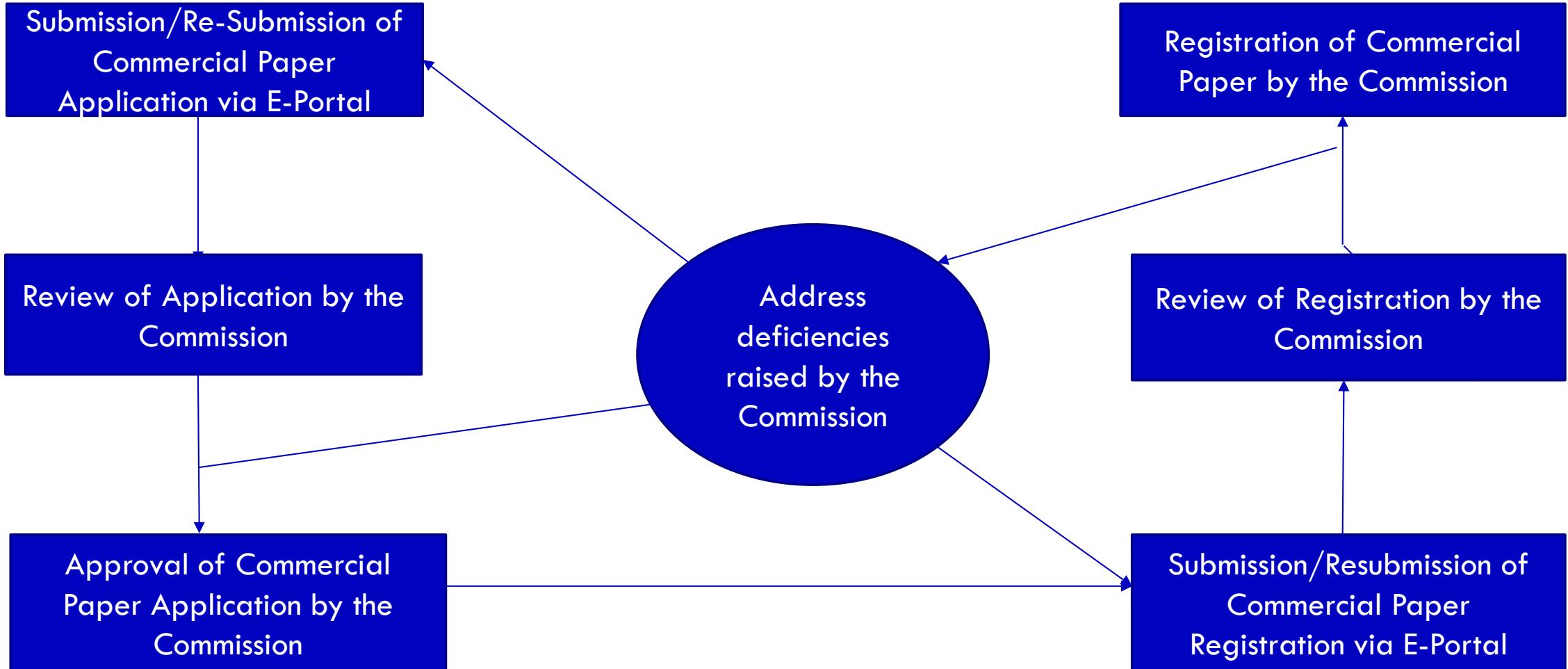
Company(Issuer)	Financial Adviser	Application Status	Offer Size	Application Date	View
SISCP International	SISCP Interenational	Application Started	₦9,000,000,000.00	Oct 9, 2025 11:03:58	View
Adamu Nigeria Limited	SISCP Interenational	Application Started	₦5,000,000,000.00	Aug 12, 2025 10:38:05	View
Ahmed Nigeria Ltd	SISCP Interenational	Registration Started	₦20,000,000,000.00	Aug 12, 2025 08:04:38	View
Vonk	SISCP Interenational	Application Submitted	₦3,000,000,000,000.00	Jul 1, 2025 12:48:39	View
RW	SISCP Interenational	Application Approved	₦200,000,000.00	Jul 1, 2025 12:12:42	View

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PROCESS FLOW CHART FOR COMMERCIAL PAPER APPLICATION AND REGISTRATION



PROCESS FLOW CHART FOR COMMERCIAL PAPER APPLICATION AND REGISTRATION



APPLICATION PROCESS	REGISTRATION PROCESS
1. Issuing and Placing Agent (IPA) submits commercial paper application via E-Portal https://eportal.sec.gov.ng	1. IPA submits registration of shelf programme and/or series issuance(s) via the E-Portal. - https://eportal.sec.gov.ng
2. The Commission Reviews the application and communicates deficiencies to IPA via E-Portal.	2. The Commission Reviews the registration and communicates deficiencies to IPA via E-Portal.
3. Where deficiencies are communicated to IPA, IPA addresses deficiencies and re-submits application via the E-Portal.	3. Where deficiencies are communicated to IPA, IPA addresses deficiencies and re-submits registration via the E-Portal.
4. Where no deficiencies are raised or all deficiencies have been addressed by the IPA, the Commission will approve the commercial paper application.	4. Where no deficiencies are raised or all deficiencies have been addressed by the IPA, the Commission will register the shelf programme and/or series issuance(s).



Thank You For
Listening

QUESTIONS?

