

CSDs: CSCS (Nigeria)

Date: 03 Jul 2008

SMI Markets: Nigeria

CMIRR Markets: Nigeria

## SEC to Launch E-Allotment

As a part of the development of the dematerialisation process in Nigeria (see previous newflash), the Securities and Exchange Commission (SEC) is planning to launch an electronic allotment system (E-Allotment) from 1 January 2009, which is expected to help eliminate the delays experienced by shareholders in the current issuance of physical share certificates, to ensure the process of allotment of shares certificates is concluded in the shortest possible time.

Additionally, with the new system, investors in the capital market would be compelled to have a Central Security Clearing System (CSCS) account and be required to register with an accredited stock broking firm to participate in public offerings. Furthermore, the SEC is expected to facilitate the opening of CSCS accounts for those participating in public offerings for the first time.

## CSD Risk Impact

### CSCS (Nigeria)

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = Positive

The introduction of E-Allotment will reduce the allotment time for shares which is likely to increase the liquidity in the market (and reduce the possibility of fails) within the period immediately following the allotment.

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## Market Information Impact

### Nigeria

This information affects the data contained in the Corporate Actions sections of the Securities Market Information Service.

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## Infrastructure Risk Ratings Impact

### Nigeria

Market Rating: A-

Market Flash Impact: Positive

Impacted Risk Type: Liquidity Risk

Current Rating = A

Flash Impact = Positive

The introduction of E-Allotment will reduce the allotment time for shares which is likely to increase the liquidity in the market (and reduce the possibility of fails) within the period immediately following the allotment.

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Related Flash: [SEC and NSE New Issue Dematerialisation by 31 December 2008, 21/09/2007 \(click to view\)](#)

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## For further information contact:

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