



Securities Registration Certificate in Nigeria: What Every Company Raising Money from Investors Needs to Know

Description

If you are a company planning to raise money from investors by issuing shares, bonds, debentures or other securities, **do not start by printing brochures, sending WhatsApp messages or collecting money from investors.**

Start with the regulatory question:

Does the proposed security require registration with the Securities and Exchange Commission (SEC)?

This is where many businesses get into trouble.

After about 15 years in legal practice and years of working around regulatory compliance, I have seen a recurring problem in Nigeria.

People focus on how to raise the money.

They forget to ask whether they are legally permitted to raise it in the manner they have chosen.

That difference can be very expensive.

This article explains, in simple terms:

- what a Securities Registration Certificate is;

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- when you need one;
 - the types of securities that may require registration;
 - the documents involved;
 - the SEC process;
 - the costs you should expect;
 - common mistakes companies make;
 - and how to approach the process without wasting time and money.
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First, What Exactly Is a Securities Registration Certificate?

A Securities Registration Certificate is essentially evidence that the **Securities and Exchange Commission (SEC)** has registered the securities in question.

Under the Investments and Securities Act, 2025, securities cannot generally be issued, transferred, sold, or offered to the public without prior registration with the Commission.

The Act expressly provides that the Commission shall issue a certificate of registration in respect of securities registered by it.

That is important.

Because there is a major difference between:

“CAC has registered my company.”

and

“SEC has registered the securities I am offering to investors.”

They are not the same thing.

A company can be perfectly incorporated at the CAC and still have a problem if it starts making an unauthorised public offer of securities.

Why This Matters More Now

Nigeria's capital market is becoming more sophisticated.

But unfortunately, so are the schemes being promoted to the public.

You see investment offers everywhere.

WhatsApp groups.

Telegram.

Instagram.

Private investor groups.

"Invest ₦5 million and receive 30% in six months."

"Buy shares now before IPO."

"Pre-IPO opportunity."

"Guaranteed returns."

"Become a shareholder in our company."

The problem is not that every investment opportunity is illegal.

Far from it.

The problem is that **you cannot simply dress up a fundraising exercise as an investment opportunity and assume that the SEC will not be interested.**

The SEC has already issued public warnings about unregistered investment schemes and unauthorised solicitation of funds from the public.

In June 2026, for example, the SEC issued a cease-and-desist directive concerning promotional activities relating to a purported securities offering where no application for the IPO or public offer had been filed with the Commission.

That should tell you something.

Do not collect the money first and start asking regulatory questions later.

That is the wrong way to do it.

What Securities Are We Talking About?

“Securities” is a broad concept.

Depending on the transaction, it can include instruments such as:

- shares;
- bonds;
- debentures;
- notes;
- units or interests in certain investment structures;
- and other instruments recognised under the securities regulatory framework.

The exact regulatory treatment depends on the nature of the security and how it is being offered.

For example, a company may be looking at:

Transaction	Typical purpose
Public offer of shares	Raising equity from the public
Bond issuance	Raising debt finance
Debenture	Raising money through a debt instrument
Rights issue	Raising additional capital from existing shareholders
Offer for sale	Existing shareholders selling securities
Private placement	Raising funds from identified investors
Public debt offering	Raising substantial funds from investors

The SEC itself recognises different modes of offering, including offer for subscription, offer for sale, private placement and rights issues.

But here is where you must be careful.

The fact that you call something a “private investment” does not automatically settle the regulatory question.

We have to look at the actual transaction.

Who are you approaching?

How many investors?

How is the offer being advertised?

What exactly are investors buying?

What rights will they receive?

How is the money being raised?

Is there a promise of returns?

Is the company offering shares, debt or another investment interest?

These questions matter.

The Biggest Mistake I See

The biggest mistake is starting with the document.

A client will say:

“We need a Securities Registration Certificate.”

My first question is usually:

“What exactly are you trying to register?”

Because there is no point rushing to SEC with an application when the transaction itself has not been properly structured.

Regulatory compliance is not about filling forms.

It is about **getting the transaction right before filling the forms.**

What Does the SEC Look At?

The SEC will generally want to understand the company, the securities, the transaction and the people behind it.

Depending on the type of application, this may involve:

1. Corporate documents

These may include:

- Certificate of Incorporation;
- Memorandum and Articles of Association;
- CAC status report;
- resolutions approving the transaction.

The SEC's published securities-registration checklist specifically requires corporate and transaction documentation and may permit documents previously filed with the Commission to be relied upon where the required undertaking is provided.

2. Financial information

Financial statements are extremely important.

The Commission wants to know the financial position of the issuer.

Depending on the transaction, you may need:

- audited financial statements;
- recent financial information;
- interim accounts where applicable;
- details of assets and liabilities;
- financial projections;
- information about existing indebtedness.

Do not wait until the SEC application stage before discovering that your accounts are outdated.

That is one of the avoidable problems we encounter.

3. The Prospectus or Offer Document

For a public offering, the offer document is critical.

It is not simply a marketing brochure.

It is a regulatory document.

It should give investors material information about the investment opportunity.

The business.

The management.

The financial position.

The securities.

The risks.

The purpose of the funds.

The rights attached to the securities.

And other information required by the regulatory framework.

If the latest audited accounts are more than nine months old, the SEC's checklist indicates that recent interim audited accounts for the first six months of the financial year may need to be included.

This is why I always advise clients:

Do not wait until the last minute.

Capital raising is a project.

Treat it like one.

4. Corporate Approvals

The company must properly authorise the transaction.

Depending on the circumstances, this may involve:

- Board resolutions;
- shareholders' resolutions;
- increase in share capital;
- alteration of constitutional documents;
- approval of the terms of the securities;
- appointment of professional advisers.

This is where your corporate lawyer should be involved early.

Not after everything has already been signed.

How Much Does Securities Registration Cost?

This is another area where people get confused.

There is no single universal "Securities Registration Certificate fee."

The SEC's fees depend on the type and value of the securities being registered.

For example, the SEC's published checklist provides different fee structures for different categories of securities. For registration of existing securities upon conversion to a public company, the published registration fee is calculated progressively based on the value of shares being registered.

For certain government bond registrations, the fee structure is different again.

So if somebody tells you:

"SEC registration certificate is ₦X."

without first asking **what security, what transaction and what value**, I would be careful.

That is not how serious regulatory work should be approached.

There Are Also Professional Costs

The SEC fee is only one part of the budget.

Depending on the transaction, you may have professional costs for:

Professional/Transaction Area	Possible involvement
Legal advisory	Structuring and legal documentation
SEC application	Preparation and submission
Financial adviser	Transaction structuring
Reporting accountant	Financial reporting
Auditor	Audited accounts/verification
Valuer	Valuation where applicable
Registrar	Shareholder/security administration
Receiving agent	Handling subscription funds
SEC fees	Statutory regulatory fees
Listing fees	Where listing is involved

For a serious capital-raising exercise, I always advise clients to look at the **whole transaction cost**, not just the SEC application fee.

Because getting the certificate is not the only objective.

The objective is to complete a legally compliant capital raise.

How Long Does It Take?

This is another area where people are often given unrealistic promises.

The SEC's published checklist provides different timelines depending on the particular securities registration. For example, the checklist indicates a two-week timeline for certain existing-securities registrations, while some government bond registrations have a six-week timeline. These timelines run from a complete filing.

That last part is important.

Complete filing.

Not:

"We submitted something."

There is a difference.

If the SEC raises queries or identifies deficiencies, the process can take longer.

The SEC expressly states that where deficiencies are communicated, the timeline resets.

So when somebody tells you:

"SEC will approve it in exactly two weeks."

Ask:

"Two weeks from what?"

Because regulatory timelines are not magic.

Why Applications Get Delayed

From practical experience, some of the common causes are surprisingly basic.

1. Incomplete documents

A missing document can hold up an entire application.

2. Inconsistent information

The CAC records say one thing.

The audited accounts say another.

The prospectus says something else.

The shareholding structure has changed.

Nobody updated the documents.

That is a problem.

3. Poorly prepared financial statements

Capital market transactions require serious financial disclosure.

4. Weak corporate governance

The regulator will naturally want to know who is controlling the company and who is responsible for the transaction.

5. Poorly drafted offer documents

An offer document is not the place for exaggerated marketing language.

6. Trying to raise money before approval

This is perhaps the most dangerous mistake.

Please Do Not Advertise First

I want to emphasise this.

If your transaction requires SEC registration, **do not start soliciting investors before obtaining the necessary regulatory clearance.**

The SEC's recent enforcement activity should remove any doubt about this. The Commission has warned against promotional activities and solicitation connected with

purported securities offerings that have not been submitted to or approved by the Commission.

This includes being careful with:

- social media advertisements;
- WhatsApp broadcasts;
- investor presentations;
- online campaigns;
- “pre-IPO” announcements;
- expressions of interest;
- subscription forms;
- collection of deposits.

The internet has made fundraising easier.

It has also made regulatory breaches easier to detect.

And the Penalties Are Not Something to Joke With

Under the Investments and Securities Act, 2025, issuing, transferring, selling or offering securities to the public without prior registration can constitute an offence.

The Act provides serious penalties, including fines linked to the value of the securities offered and potential imprisonment for responsible persons.

This is why I tell clients:

Do not gamble with a capital-raising transaction.

You may think you are simply raising money for your business.

The regulator may see something completely different.

A Better Way to Approach the Process

This is the approach I recommend.

Step 1 — Define the transaction

What exactly are you raising?

Equity?

Debt?

Convertible instrument?

Another form of investment?

Step 2 — Identify the investors

Who are they?

Existing shareholders?

Institutional investors?

High-net-worth investors?

The general public?

Step 3 — Determine the regulatory route

Do not assume.

Analyse the transaction under the current SEC framework.

Step 4 — Clean up the company

Check:

- CAC records;
- share capital;

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- directors;
 - shareholders;
 - statutory filings;
 - financial statements;
 - corporate resolutions.

Step 5 — Prepare the transaction documents

This may include:

- offer documents;
- prospectus;
- resolutions;
- legal opinions;
- financial statements;
- agreements;
- disclosures.

Step 6 — File with the SEC

Submit the appropriate application with the required documentation and statutory fees.

Step 7 — Respond to queries

Do not treat SEC queries as an attack.

They are part of the regulatory process.

Respond properly.

Step 8 — Obtain approval/registration

Only after the relevant regulatory requirements have been satisfied should the transaction proceed in the manner authorised.

Securities Registration Is Not the Same as Company Registration

Let me repeat this because it causes a lot of confusion.

CAC Registration

Creates/registers the company
Corporate existence
Governed primarily by company law
Does not automatically authorise a public securities offering
Focuses on the company

SEC Securities Registration

Registers the securities/transaction within SEC's regulatory framework
Capital market compliance
Governed by securities legislation and SEC rules
Required where the applicable securities offering requires SEC registration
Focuses heavily on the securities and offering

A company certificate from CAC does not give you a free pass to raise money from the Nigerian public through securities.

What About the New SEC Electronic Registration System?

This is another development businesses should watch.

The SEC announced in July 2026 that certain Capital Market Operator applications would move exclusively to its ePortal from August 10, 2026. However, the Commission specifically stated that **new entrants into the Nigerian capital market were not yet included in that phase**, and that the Commission would announce electronic processing for new entrants separately.

So again:

Do not rely on old information.

Regulatory processes change.

Portals change.

Fees change.

Forms change.

Rules change.

Before commencing an application, confirm the current position with the SEC and work from the current checklist.

My Practical Advice to Business Owners

If your company is looking to raise substantial money from investors, involve your lawyer and regulatory adviser **before** you approach the investors.

Not after.

That one decision can save you months.

It can also save you from having to refund money.

Or restructure the transaction.

Or explain to investors why the transaction they have already committed to cannot proceed.

And please stop looking at regulatory compliance as an unnecessary expense.

Compliance is part of the transaction.

If you are raising ₦500 million, ₦1 billion, ₦5 billion or more, spending money to properly structure the transaction is not what should worry you.

What should worry you is raising the money incorrectly.

Frequently Asked Questions

1. What is a Securities Registration Certificate?

It is the certificate issued by the SEC in respect of securities that have been registered with the Commission.

2. Is it the same as a CAC certificate?

No.

CAC registration concerns the company's corporate existence. SEC securities registration concerns the securities and applicable capital-market transaction.

3. Can a private company issue shares to investors without SEC registration?

It depends on the structure and nature of the transaction. Not every private transaction is treated the same way. The actual offer must be examined against the applicable securities laws and SEC rules.

4. Can I advertise my investment opportunity on WhatsApp?

Do not assume that you can.

If the investment involves an offer of securities or solicitation of funds from the public, regulatory requirements may apply. The SEC has specifically warned about unregistered investment schemes and unauthorised solicitation through online platforms.

5. Does SEC registration guarantee that investors will make money?

Absolutely not.

SEC registration is regulatory approval/registration. It is not a guarantee of profitability or investment returns.

6. How much does SEC securities registration cost?

It depends on the type and value of the securities and the transaction. SEC fees are not one flat amount.

7. How long does the process take?

It depends on the type of registration and whether the application is complete. SEC published timelines apply from the date of complete filing, and deficiencies can reset the timeline.

8. Can a lawyer handle the process?

Yes, but for a substantial capital-market transaction, the legal work is only one part of the exercise. Depending on the transaction, you may also require financial advisers, accountants, auditors, registrars and other professionals.

9. Can I start collecting investor money while the application is pending?

This is an area where you need to be extremely careful. Do not assume that a pending application gives you permission to proceed with a public offering. The SEC's recent enforcement position makes that very clear.

10. What should I do before approaching investors?

Get the transaction assessed first.

Determine what you are offering, who you are offering it to, how you intend to market it and what regulatory approvals are required.

Final Word

After years of dealing with regulatory agencies and advising businesses, one thing I have learnt is this:

Most regulatory problems are cheaper to prevent than to cure.

When a client comes to us before launching a transaction, we can sit down, look at the structure and identify the regulatory issues.

That is the easy part.

The difficult part is when the client has already collected investors' money.

Already signed agreements.

Already advertised the investment.

Already promised returns.

And then discovers that the transaction was not properly structured.

At that point, everybody is under pressure.

The company.

The directors.

The investors.

The lawyers.

And eventually, the regulator.

So if your company is planning to raise money through shares, bonds, debentures or another investment instrument, **do not begin with the question, "How much will the certificate cost?"**

Begin with:

"What exactly are we proposing to offer, who are we offering it to, and what does the law require us to do before we collect a single naira?"

That is the right question.

And in regulatory compliance, **asking the right question early can save you a lot of money later.**

Category

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