THE ROLE OF A CAPITAL MARKET SOLICITOR IN NIGERIA

Introduction

Nigeria's capital market has experienced significant growth over the past two decades, evolving into one of Africa's most dynamic financial centers. At the heart of this growth are ***capital market solicitors***—legal professionals who play a crucial role *in ensuring that capital market transactions comply with regulatory requirements* while protecting the interests of various stakeholders.

What is a Capital Market Solicitor?

A capital market solicitor is a legal practitioner who specializes in advising clients on capital market transactions and regulatory compliance.

In Nigeria, these professionals must be qualified under the Legal Practitioners Act and typically possess additional expertise in securities law, corporate finance, and regulatory frameworks governing the Nigerian capital market.

Key Responsibilities

Regulatory Compliance and Advisory

Capital market solicitors ensure that all transactions comply with the regulations set by the Securities and Exchange Commission (SEC) and other relevant regulatory bodies.

They advise clients on the Investments and Securities Act (ISA) 2025, which was signed into law in March 2025, replacing the ISA 2007.

They also guide clients through SEC Rules and Regulations and other applicable legislation. This includes helping clients navigate registration requirements, disclosure obligations, and ongoing compliance mandates under the modernized legal framework.

Transaction Structuring and Documentation

These solicitors play a vital role in structuring capital market transactions such as initial public offerings (IPOs), rights issues, private placements, and bond issuances.

They draft and review critical documents including prospectuses, offer documents, underwriting agreements, listing applications, and subscription agreements.
Their expertise ensures that these documents meet both legal requirements and commercial objectives.

Due Diligence

Capital market solicitors conduct comprehensive legal due diligence on companies seeking to raise capital. This involves reviewing corporate structure and governance, existing contracts and commitments, litigation...

history, intellectual property rights, and regulatory compliance status. Their findings help investors make informed decisions and identify potential legal risks.

Corporate Governance

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They advise corporate clients on best practices in corporate governance, particularly for publicly listed companies. This includes guidance on board composition and responsibilities, shareholder rights and protection, disclosure and transparency requirements, and related party transactions.

Mergers and Acquisitions

In the context of takeovers and mergers involving publicly listed companies, capital market solicitors ensure compliance with the SEC's Rules on Merger and Acquisition and advise on mandatory offer requirements, minority shareholder protection, and regulatory approvals.

Working with Regulatory Bodies

Capital market solicitors frequently interact with the Securities and Exchange Commission, which has enhanced powers under the ISA 2025, the Nigerian Exchange Limited (NGX), the Corporate Affairs Commission (CAC), and other regulatory authorities. They file applications and submissions on behalf of clients, respond to regulatory inquiries, and advocate for clients during regulatory reviews or enforcement proceedings. They also advise clients on the new requirements introduced by the ISA 2025, including the mandatory use of Legal Entity Identifiers (LEIs) for capital market transactions and compliance with digital asset regulations.

Essential Skills and Qualifications

To excel in this specialized field, capital market solicitors must possess a strong foundation in corporate and securities law, understand financial markets and instruments, have meticulous attention to detail, demonstrate excellent analytical and drafting skills, and maintain the ability to manage multiple transactions simultaneously.

The Impact on Nigeria's Economy

Capital market solicitors contribute significantly to Nigeria's economic development by facilitating capital formation for businesses, enhancing investor confidence through proper documentation and disclosure, promoting transparency and good governance practices, and supporting the growth and sophistication of Nigeria's financial markets.

Challenges in the Role

These legal professionals face several challenges, including navigating an evolving regulatory landscape, particularly with the recent enactment of the ISA 2025 which introduces new concepts such as digital asset regulation and enhanced SEC powers.

Additional challenges include balancing commercial objectives with regulatory compliance, managing tight transaction timelines, addressing limited precedent in emerging areas like virtual assets and digital securities, and adapting to new compliance requirements such as the mandatory use of Legal Entity Identifiers.

Conclusion

Capital market solicitors serve as essential gatekeepers in Nigeria's financial ecosystem.

Their expertise ensures that capital market transactions are conducted legally, transparently, and in the best interests of all stakeholders.

As Nigeria's capital market continues to mature and attract both domestic and international investors, the role of these specialized legal practitioners will only grow in importance, making them indispensable to the country's economic advancement.

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