Nigeria CG Program Presentation
Support to Regulators on CG Monitoring

May 18, 2012
Vienna
History & Context

The enabling environment for CG in Nigeria

- Companies and Allied Matters Act 2004 – specific acts of companies such as insider dealing, fiduciary duties of directors, etc.

This is supported by other sector specific codes namely:

- Code of Corporate Governance for Banks in Nigeria – issued by CBN in 2006
- Code of Corporate Governance for Public Companies 2003 – issued by SEC. This code was revised & launched in 2011
- Code of Corporate Governance for Insurance companies – issued by the insurance regulator (NAICOM) in 2008
- Code of Corporate Governance for Pension Operators – issued by PENCOM 2011
Issues & Challenges to Monitoring

Companies:
- compliance focused approach to implementing CG
- resistance to change – challenges of ingrained corporate culture
- Understanding of benefits of CG
- Tone at the top – the board’s commitment
- Implementation & change strategy
- Conflict in regulations

Regulators:
- Capacity of staff
- Monitoring & Compliance
- Scope of existing legislative/regulatory framework
- Sufficiency of Information disclosed by companies
- Enforcement mechanisms
- Time constraints
Opportunities for Impact

Securities and Exchange Commission in Nigeria:

• Committed to ensuring success in implementation and buy-in of the revised CG code 2011

• Require assistance from the Nigeria CG program and Global CG Forum to develop a tool to assist in monitoring

• Conflict between voluntary and mandatory provisions – without force of law or enabling structures

• Capacity & Resource constraints
Next Steps

- Develop a strategy/improvement plan for CG enforcement
- Develop an effective tool for monitoring of CG in companies
- Enhance existing structures – enforcement mechanisms & internal capacity of enforcing agency or regulator