

MARKET CIRCULAR 51

To: MARKET PARTICIPANTS

From: NASD OTC SECURITIES EXCHANGE

Date: 18 NOVEMBER, 2021

Subject: NOTIFICATION OF SEC'S GUIDANCE ON THE IMPLEMENTATION OF SECTIONS 60 – 63 OF THE INVESTMENTS AND SECURITIES ACT, 2007 – EXTENSION OF COMPLIANCE DATE TO DECEMBER 2023

The Securities and Exchange Commission (**SEC**), recently released a statement by virtue of which it extended the deadline for public companies to comply with its *Guidance on the Implementation of Sections 60-63 of the ISA* (which was issued in March 2021). The deadline for compliance has been extended from 31st December 2021 to **31st December 2023**

Sections 60-63 of the ISA require directors of public companies to implement relevant internal controls over financial reporting, and for Auditors to review and issue a statement on the existence, adequacy and effectiveness or otherwise of these internal controls.

The SEC Guidance emphasizes the following:

1. Certification in Annual or Periodic Reports.
 - All public companies must file their audited financial statements and periodic reports with the SEC;
 - The CEO and CFO shall certify all audited financial statements and periodic accounts filed by the company.
2. Duty of management to establish internal controls over a company's financial reporting and security of its assets, whilst the Board of directors must ensure the integrity of the financial controls and reporting.
3. A public company's Annual Report must contain a report from Management on the annual assessment of the company's internal control over financial reporting. The report must include disclosure of any material weakness identified by management in the course of its evaluation.
4. Duty of Auditors to attest to Management's assessment of internal controls over financial reporting. This attestation must form part of the company's Annual Report .
5. Any person carrying on the business of auditing a public company must be registered by the Commission.

Kindly click the link below to download the Guidelines.

https://sec.gov.ng/guidance_on_the_implementation_of_sections_60-63_of_isa_2007/



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We advise all market participants and their respective clients to take the necessary steps to comply with any outstanding requirements of the Guidelines.

Thank you.