

**ANALYSING THE SUITABILITY OF THE INVESTMENT AND SECURITIES  
ACT, 2025 FOR NIGERIAN COOPERATIVES' CAPITAL MARKET  
PARTICIPATIONS**

**Ajibola Anthony Akanji\* and Godwin Emmanuel Oyedokun\*\***

**Abstract**

*There has been considerable growth in the awareness of Nigerians about the purpose and relevance of the capital markets to modern economics and their daily lives. There is visibly increase in the participation of Nigerians in business activities associated with the Nigerian capital markets. Identified actor individuals, and registered companies, and a relatively new entrant, the Nigerian cooperatives societies. Some of these activities have been in strict adherence to the enabling laws, while some others run foulds of enabling legislation. The Nigerian cooperative movement has since been confined to a quagmire in the circumstance, the gravamen being questions around the legality or otherwise of cooperatives participation in the Nigerian capital markets. The study adopts doctrinal method of legal research via analytical review of the relevant legislation. The analysed legislations include the Nigerian Investment and Securities Act, 2025; the Nigerian Cooperative Societies Act, 2004; the Companies and Allied Matters Act, 2020; and the Cooperative Development Act, 2004. The study finds that in Nigeria, the cooperative identity is currently paraded by societies lawfully registered as cooperatives and those unregistered as cooperatives; that there is no legislation that expressly prohibits the participation of cooperatives in the capital markets; and that there is no legislation that expressly enables cooperatives to participate in the capital markets; (d) some of the lawfully registered cooperative societies are unaware of the capital markets, while those aware are very cautious albeit reluctant to embrace it. the study finds further that there is an atmosphere of uncertainty about the intersection of cooperatives and the Nigerian capital market. The study proffer pragmatic recommendation with a view to remedy the identified deficiencies with insightful proposals to optimally harness inherent potentials.*

**Keywords:** Cooperative Development, Investment, Legal frameworks, Nigerian Capital Markets, Nigerian Cooperatives

## **1.0 Introduction**

The Investment and Securities Act (ISA) 2025 was enacted on March 31, 2025. It repeals the previous Investment and Securities Act 2007. It reinforces the Securities and Exchange Commission as the apex regulatory authority for the Nigerian capital market which performs the functions conferred on it by the Act. The provisions ISA 2025 are largely in alignment with global best practices. In comparison with its predecessor, there are several visible improvements in the ISA 2025. Perhaps more notably is the increase in the powers of the Securities and Exchange Commission (SEC) in terms of regulation and oversight

<sup>1</sup>, and the statutory recognition of digital assets such as crypto currencies as securities<sup>2</sup>. ISA 2025 makes provision for safer investments and more innovative financial products which is hoped to strengthen investor's protection and promote transparency. These new features are encouraging to the diverse stakeholders in the Nigerian economy.

The primary aim in this study is to ascertain the suitability of ISA 2025 to Nigerian cooperatives. The inherent task necessitates the appraisal of some relevant legislation such as the ISA 2025, the Nigerian Cooperative Societies Act, 2004<sup>3</sup>; (c) the Companies and Allied Matters Act, 2020<sup>4</sup>; (d) Cooperative Development Act; 2004<sup>5</sup>, and importantly draw intersections between the provisions of the ISA 2025 and the realities of Nigerian cooperatives. The ISA 2025 neither makes no express mention nor exclusion of Nigerian cooperatives.

---

\*B.Sc, M.Sc, LL.B, LLM, PhD, B.L, Lecturer, Faculty of Law, Lead City University, Ibadan, Nigeria; akanji.ajibola@lcu.edu.ng; +234 70629 33225

\*\*B.Sc., B.Sc. Ed., LL.B., M.Sc.(Acct), MBA., M.Sc.(Fin), LLM (LCU), LLM (USA)., Ph.D, Professor at Lead City University, Ibadan, Nigeria; godwin.oyedokun@lcu.edu.ng; godwinoye@yahoo.com; +234 803 3737184

<sup>1</sup> Part IX: Se 61

<sup>2</sup> PART I of ISA 2025 provides that the commission shall register and regulate securities exchanges such as commodities exchanges, virtual and digital asset exchanges and other market venues.

<sup>3</sup> Nigerian Cooperative Societies Act Cap N98 Law of the Federation of Nigeria

<sup>4</sup> Companies and Allied Matters Act, 2020 Act No. 3 of 2020

<sup>5</sup> Cooperative Development Act Cap

However, prior to the enactment of the Act, SEC had issued directives to the Nigerian public on the activities of some cooperatives concerning the Nigerian capital market.<sup>6</sup> This brings to fore enquiries about the legality or otherwise of the intersection of Nigerian cooperatives and the Nigerian capital markets. The involvement of cooperatives in the Nigerian capital markets may be premised on two (2) factors: (a) the imperative to raise capital; and (b) the increasing lure to engage in the business of security exchange. Both factors are imperatives for sustainable national development. Currently, Nigeria is working towards obtaining “Signatory A” status with the International Organization of Securities Commissions (IOSCO), an important global standard that only a few countries meet.

Thus, it will be a welcome development if ISA 2025 aligns local laws with global standards, allowing more diverse opportunities that supports sustainable development. Such circumstance will increase the options for infrastructural funding from both indigenous and foreign sources and positions the country as an attractive destination for investment. The foregoing brings to fore the imperatives of an intersection between Nigerian cooperatives and the country’s capital market. This may be better appreciated through an explication of key terminologies.

## **2.0 An explication of terms**

### **(i) Cooperatives**

According to the International Cooperative Alliance (ICA), a cooperative is an autonomous association of persons voluntarily united to meet their common economic, social, environmental, and cultural needs of groups, and communities through a jointly owned and democratically controlled enterprise.<sup>7</sup> Cooperatives have been identified as mechanism for the implementation of public policies at the sub-national, national and

---

<sup>6</sup> See [www.sec.gov.ng/cmoss](http://www.sec.gov.ng/cmoss) on the 24th of January, 2025 the Security and Exchange Commission issued a circular “Unregistered operator alert – Stecs (Alausa) Multipurpose Cooperative Society and Risevest (Victoria Island) Cooperative Multipurpose Society Limited”, and on the 28th of May, 2025 the Security and Exchange Commission issued another circular “Illegal operator alert – Silver Kuum Investment Cooperative/Silver Kuum Limited”. Accessed on 7<sup>th</sup> October, 2025.

<sup>7</sup> [www.coop](http://www.coop) Statement on the cooperative identity (2012). International Cooperative Alliance (ICA). Accessed on 7<sup>th</sup> October, 2025.

international stages. The International Labour Organisation (ILO) and the United Nations Development Programme (UNDP) both identified cooperatives as integral to the actualisation of a sustainability programme, for example the Sustainable Development Goals (SDGs).<sup>8</sup> Premised on the foregoing, ICA launched Coops4Dev in March 2016. Through this initiative, the International Cooperative Alliance entered into a partnership with the European Commission. This was aimed to foster a new frontier of collaboration that will promote the cooperative movement as significant contributors to international development. “Coops4Dev” has since earned a flagship position in cooperatives involvement in sustainable development. Prior to this, the United Nations had declared 2012 as the first international year of cooperatives.

Furthermore, in 2024, the United Nations declared 2025 as the international year of the cooperatives.<sup>9</sup> This was in recognition of the contributions of cooperatives to the implementation of sustainability programme, and to prepare the cooperatives and the larger social solidarity movement for the next decade. Cooperatives operate on seven principles and six values, jointly known and referred to as cooperative ethics.<sup>10</sup> The seven principles are (a) Voluntary and Open Membership; (b) Democratic Member Control; (c) Member Economic Participation; (d) Autonomy and Independence; (e) Education, Training and Information; (f) Cooperation among Cooperatives; and (g) Concern for Community. The six values are; (a) Self-help; (b) Self-responsibility; (c) Democracy; (d) Equality; (e) Solidarity; and (f) Ethical conducts. ICA has four regional offices, each in Africa, America, Asia-Pacific, and Europe. For ease of administrations, ICA operates along eight (8) sectorial organisations: (a) International Co-operative Agricultural Organisation (ICAO); (b) International Co-operative Banking Association (ICBA); (c) Consumer Co-operatives Worldwide (CCW); (d) International Co-operative Fisheries Organisation (ICFO); (e) International Health Co-operative Organisation (IHCO); (f) International Co-operative and Mutual Insurance Federation (ICMIF); (g) International

---

<sup>8</sup> [https://www.ilo.org/Cooperatives and the World of Work Series, and International Labour Organisation \(ILO\) Promotion of Cooperatives – Recommendation 2002 \(No. 193\).](https://www.ilo.org/Cooperatives%20and%20the%20World%20of%20Work%20Series%20and%20International%20Labour%20Organisation%20Promotion%20of%20Cooperatives%20-%20Recommendation%202002%20(No.%20193).) Accessed on 7<sup>th</sup> October, 2025.

<sup>9</sup> [https://www.2025.coop/United Nations International Year of Cooperatives 2025 – Cooperatives for a Better World.](https://www.2025.coop/United%20Nations%20International%20Year%20of%20Cooperatives%202025%20-%20Cooperatives%20for%20a%20Better%20World.) Accessed on 7<sup>th</sup> October, 2025.

<sup>10</sup> [www.coop.org/Statement on the Cooperative Identity \(2012\).](http://www.coop.org/Statement%20on%20the%20Cooperative%20Identity%20(2012).) International Cooperative Alliance (ICA). Accessed on 7<sup>th</sup> October, 2025.

Organisation of Industrial, Artisanal and Service Producers' Co-operatives (CICOPA); and(h) Co-operative Housing International (CHI).

## **(ii) Capital markets**

The Nigerian capital market is a financial market where long-term investments, like corporate equities and debt securities, are issued and traded. It plays a vital role in economic development, serving as a platform for raising capital for businesses and providing investment opportunities.<sup>11</sup> The Nigerian capital market is regulated by the Securities and Exchange Commission (SEC) and the Nigerian Exchange Group (NGX), which was formerly known as the Nigerian Stock Exchange.<sup>12</sup> The Nigerian capital market has evolved from a relatively small market to a more developed and sophisticated one, with increasing participation from both local and international investors.<sup>13</sup> The NGX, a multi-asset exchange, lists various securities, including equities, fixed income instruments, and derivatives. The SEC is the primary regulator, ensuring orderly and fair market practices and protecting investors. The market offers a range of instruments, including debt instruments (bonds, loans), equities (common stock), preference shares, and derivatives. The SEC has implemented a capital market master plan to guide the development and growth of the market, with objectives focused on economic growth and financial stability. The capital market facilitates economic growth by enabling businesses to raise capital for investment and providing investors with opportunities to diversify their portfolios.

## **3.0 Frameworks of the study**

### **i. Conceptual framework**

The conceptual framework for this study is grounded in the notion that the cooperative business model is active in virtually all spheres of business and economics. In other jurisdictions, cooperatives have had to raise capital from the capital market yet maintain

---

<sup>11</sup> <https://sec.gov.ng> The Securities and Exchange Commission: Opportunities in the Nigerian Capital Markets. Accessed on 7<sup>th</sup> October, 2025.

<sup>12</sup> <https://ngxgroup.com> Nigerian Exchange Group. Accessed on 7<sup>th</sup> October, 2025.

<sup>13</sup> *ibid*

their specificity as a unique blend of economic and social entities. Attempts are being made to replicate this model in Nigeria,<sup>14</sup> although such initiatives are neither bold enough nor privileged with the most receptive legal framework. Cooperatives' participation in the capital market is a legal, institutional, and behavioral construct that encompasses the rights, remedies, and regulatory assurances provided to individuals and institutional actors who commit to membership of a cooperative society and such cooperative society commits to participation in the Nigerian capital market. This framework incorporates interrelated concepts derived from the thematic components of the (a) the Nigerian Investment and Securities Act, 2025; (b) the Nigerian Cooperative Societies Act, 2004; (c) the Companies and Allied Matters Act, 2020; and (d) Cooperative Development Act, 2004. These metamorphoses into investors/membership rights/protection, cooperatives as appropriate representatives of class investments, holistic statutory interpretations, efficient and effective regulations, business education and awareness.

## **ii. Theoretical framework**

The theoretical underpinning of this study rests on three core legal and economic theories: Market Efficiency Theory, Investor Protection Theory and Regulatory Theory. These theories offer a structured understanding of the imperatives for Nigerian cooperatives' involvement in the capital markets, and the role of legislation to protect, foster fairness and support efficiency. Market Efficiency Theory, particularly the Efficient Market Hypothesis (EMH), posits that securities prices reflect all available information.<sup>15</sup> For markets to operate efficiently, investors must have equal access to accurate and timely information. Thus, any asymmetry in information dissemination undermines pricing mechanisms and investor confidence.<sup>16</sup> The ISA 2025 enhances the statutory framework for continuous disclosure, fair dealing, and transparency principles

---

<sup>14</sup> Onuoha Onyekachi Chibueze, Capitalization and Co-operative Competitiveness in Nigeria: The Linkage' *Forshen hub International Journal of Entrepreneurial and Cooperative Studies* (2020).

<sup>15</sup> E Fama, 'Efficient Capital Markets: A Review of Theory and Empirical Work' *The Journal of Finance* (1970) 25(2) 383.

<sup>16</sup> IO Umeh, 'Market Transparency and Investor Behaviour in Nigerian Securities Market' (2021) 8(2) *Nigerian Journal of Economic Law* 93. Ditto

essential for market efficiency.<sup>17</sup> It mandates real-time updates, periodic filings, and penalties for false or misleading information, thereby improving informational symmetry in Nigeria's capital markets.

Regulatory Theory, especially the Public Interest Theory of Regulation, provides an overarching justification for state intervention in capital markets.<sup>18</sup> According to this theory, regulation exists to protect investors and correct market failures, such as fraud, information asymmetry, and unfair practices.<sup>19</sup> The Securities and Exchange Commission (SEC) under the ISA 2025 functions as a statutory body whose objective is to regulate and develop a fair and efficient market system.<sup>20</sup> This aligns with the normative expectation that regulation must serve the broader economic interest and safeguard public trust. Taken together, these theoretical frameworks justify and contextualise the legal provisions in the ISA 2025. They highlight the necessity of regulatory frameworks that not only constrain managerial and administrative misconduct and ensure efficient markets but also protect the psychological and informational welfare of investors. Furthermore, they bring to the fore some of the inadequacies in the provisions of the Nigerian Cooperative Societies Act, 2004, as well as the imperatives to implement the provisions of the Cooperative Development Act, 2004 specifically in alignment with contemporary realities.

### **iii. Legal framework**

The legal framework on the intersection of cooperatives and the Nigerian capital market must find primary expression in the Investment and Securities Act 2025 (ISA 2025), and the Nigerian Cooperative Societies Act, 2004 hence steps are taken to identify possible interface between these two legislations. The provisions of allied legislation such as the Companies and Allied Matters Act, 2020; and (d) Cooperative Development Act, 2004 are equally appraised.

---

<sup>17</sup> ISA 2025, ss 50–58.

<sup>18</sup> RA Posner, 'Theories of Economic Regulation' *Bell Journal of Economics and Management Science* (1974) 5(3) 335.

<sup>19</sup> O Mekanjuola, 'Rethinking Capital Market Regulation in Nigeria' (2022) 4(2) *African Journal of Regulatory Studies* 188. Ditto

<sup>20</sup> ISA 2025, s 13.

#### **4.0 Methodology**

This study adopts a doctrinal legal research methodology, which involves a detailed analysis of legal texts, statutory provisions, judicial decisions, and relevant scholarly writings on the subject matter. Doctrinal research becomes suitable to this study because it identifies, interprets, and evaluates the content of legal rules and principles, particularly within a codified framework such as contained in the legislation<sup>21</sup>. This research also incorporates comparative legal analysis, with reference to international best practices and standards, such as those set by the International Organization of Securities Commissions (IOSCO) and standards of intersection between cooperatives and the capital markets from jurisdictions like the United Kingdom, India, and the United States.<sup>22</sup> This approach helps to benchmark Nigerian peculiarities against global standards and to highlight areas where improvements may be necessary. In addition to doctrinal analysis, this study utilises secondary data from peer-reviewed journals, textbooks, policy documents, and regulatory reports. These materials provide critical commentary and contextual insights that assist in understanding both the intent and impact of the statutory provisions. The research does not rely on empirical data or fieldwork, as its focus is strictly normative and prescriptive.

#### **5.0 Cooperatives and the Capital Market in other Jurisdictions**

The following are some examples of cooperatives involved in the capital markets in other countries: provide reference please

- Amul (India) a major dairy cooperative in India is listed on the stock exchange;
- Indian Farmers Fertiliser Cooperative (IFFCO) (India) a prominent cooperative in India, that is listed on the stock exchange;
- Southern Green Farming and Marketing Multi State cooperative society (Farmfed) (India): A cooperative society involved in farming and marketing;
- Indian Cooperative Credit Society Limited (ICCSL) (India): A cooperative credit society;

---

<sup>21</sup> T Hutchinson and N Duncan, 'Defining and Describing What We Do: Doctrinal Legal Research' *Deakin Law Review* (2012) 17 83.

<sup>22</sup> IOSCO, 'Objectives and Principles of Securities Regulation' (2021) <https://www.iosco.org> Accessed on 7<sup>th</sup> October, 2025.

- REWE Group (Germany): A major cooperative in the grocery sector, known for its extensive retail network;
- Groupe Cr dit Agricole (France): A large financial cooperative group; and
- Groupe BPCE (France): Another significant financial cooperative group.

In the United States of America, cooperatives can be structured as stock cooperatives and their shares can be traded, they are not typically listed on the New York Stock Exchange (NYSE) or other major stock exchanges like NASDAQ<sup>23</sup>. Instead, market-rate cooperatives in the housing sector can have shares that are traded in a secondary market, but this is usually a local or private market, not a public exchange like the NYSE. Stock cooperatives are a specific type of cooperative where members own shares in a corporation that owns the property. These shares are typically traded in a private market, not a public exchange. A key feature of stock exchange cooperatives is member ownership<sup>24</sup>. Cooperatives are owned by their members, who are investors in the cooperative. Shares of stock exchange cooperatives are traded on the stock exchange, allowing anyone to buy and sell them. This model allows cooperatives to raise capital by offering shares to the public<sup>25</sup>. Invariably, by virtue of the capital market model, cooperatives can raise capital among themselves, or from the public. Public listing such as on the NYSE could offer cooperatives access to a broader range of investors and capital sources, as well as improved liquidity.

However, it also brings with it more regulatory oversight and reporting requirements. There are two main types of stock cooperatives: market-rate cooperatives where shares are sold at market value, and limited equity cooperatives where shares are sold at a restricted price to ensure affordability<sup>26</sup>.

---

<sup>23</sup> Edwards S. Adams, and Jon Lauck, Farmers Cooperatives and the Federal Securities Laws: the Case for Non-application. *South Dakota Law Review*, Volume 45, Pages 62 – 93, 2000.

<sup>24</sup> Kathryn J. Sedo, The Application of Securities Laws to Cooperatives: A Call for Equal Treatment for Non-agricultural Cooperatives. *Drake Law Review* Vol 46.

<sup>25</sup> Tayybe Zohani, The Study of Presence of Cooperatives in the Stock Market and Over the Counter: Grounded Theory' *Novel Explorations in Computational Science and Behavioral Management* Volume 2, Issue 1 Pages 103 – 122 September 2024.

<sup>26</sup> A Kuupers and H Groenereld, Cooperative Capital of Large Financial Co-operatives: the Capitalisation Evolution of Rabobank. In the book: *The Capital Conundrum for Cooperatives. International Cooperative Alliance* 2015.

*Coop Exchange* is a concept that aims to create a global network of stock exchanges dedicated to cooperatives, it's still in development and not yet a major player comparable to the NYSE or London Stock Exchange<sup>27</sup>.

European cooperatives play a significant role in the European economy and are increasingly recognized for their potential in the European capital markets<sup>28</sup>. The Capital Markets Union (CMU) aims to create a more integrated and efficient financial system within the European Union, and this integration has implications for cooperatives seeking funding and investment. Cooperatives, with their unique governance models and focus on social and environmental values, can benefit from a more integrated capital market. These benefits may include access to diverse funding sources as a more integrated capital market offers cooperatives access to a wider range of investment opportunities, including those from institutional investors and capital markets. Another benefit is reduced reliance on bank lending, the integration of cooperatives into the CMU can help reduce the reliance on traditional bank financing, which may not always be suitable for cooperatives, particularly small and medium-sized cooperatives<sup>29</sup>. Additionally, the integration of cooperatives into the CMU can lower funding costs as it may lead to lower borrowing costs for firms, including cooperatives, by fostering competition and efficiency among financial institutions. Lastly, cooperatives will gain increased visibility and awareness, thus attract more investors and promote the cooperative model<sup>30</sup>.

Currently, Cooperatives Europe advocates for policies that promote the inclusion of cooperatives in the CMU and support their access to capital markets<sup>31</sup>. They call for reforms in public procurement rules to systematically include social clauses or reserved contracts for social economy entities, including cooperatives. They also emphasize the need to maintain social conditions within European economic and industrial policies,

---

<sup>27</sup> <https://coop.exchange> "Coop Exchange". Accessed on 7<sup>th</sup> October, 2025.

<sup>28</sup> Holger Blise, The Contribution of Cooperative Banks and Banking to Social Market Economy for Europe – Moderation of Capital Market and Competition. *International Journal of Cooperative Law* Issue 3, Pages 237 to 243, 2020.

<sup>29</sup> *ibid*

<sup>30</sup> Micheal L. Cook, Fabio R Chaddad, Capital Acquisition in North American and European Cooperatives. *Fileme Research Institute*, 2006

<sup>31</sup> Daniela Venanzi, and Paolo Matteucci, The Largest Cooperative Banks in Continental Europe: A Sustainable Model of Banking. *International Journal of Sustainable Development and World Ecology*, Volume 29 (1) Pages 84 – 97, 2022.

ensuring that cooperatives can continue to operate while upholding their values<sup>32</sup>. Invariably, in all jurisdiction cooperatives hold the potentials to play a role in the capital market, although their participation may differ from traditional public companies.

Traditionally, cooperatives raise capital through member contributions, retain earnings, grants from governments and development agencies, and by borrowing from other cooperatives or commercial banks<sup>33</sup>. Cooperative ethics guide the involvement of cooperatives in raising capital and investment decisions<sup>34</sup>. In essence, cooperatives participation in the capital market is internally governed by cooperative ethics with member interests and community needs given priority. Cooperatives can raise capital through a combination of member contributions, retained earnings, and external funding<sup>35</sup>. Member capital is typically the foundation, with members investing through share purchases or loans. Retained earnings from operations, or "institutional capital," also contribute to the cooperative's financial base. Invariably, Capital Formation within Cooperatives is primarily dependent on member contributions (share capital) and retained earnings (reserves) to build their capital base. These may be categorized in three (3) primary sources of equity financing, namely<sup>36</sup>:

**(a). Members' contributions, ownership and control:** A key aspect of cooperatives is that members are the owners and control the business. This means that in accordance with the relevant principle of cooperatives members have a say in how the business is run and how profits are distributed. Investment Shares: Members can purchase investment shares, which may offer a return on investment, potentially higher than membership shares. Share capital: Members may contribute to share capital, which is the money paid by members for the operation of the cooperative. Loans: Members may make loans to the

---

<sup>32</sup> *ibid*

<sup>33</sup> Elena Alexandra Mamouni Limnious, John Watson, Tim Mazzarol, Geoffrey N Soutar, Financial Instruments and Equity Structures for Raising Capital in Cooperatives. *Journal of Accounting & Organisational Change*, Volume 12 (1) Pages 50 – 74, 2016.

<sup>34</sup> Lawrence Musiitwa Kyazze, Isa Nsereko, Isaac Nkote, Cooperative Practices and Non-Financial Performance of Savings and Credit Cooperative Societies. *International Journal of Ethics and Systems*, Volume 36 (3) Pages 411 – 425, 2020.

<sup>35</sup> Muleye Tarekegn Dirse, Gurudutta P. Japee, Funding Sources and their Implications for the Long Term Financial Sustainability of Saving and Credit Cooperatives in Ethiopia. *Journal of Co-operative Organisation and Management*, Volume 13 (1), 100258, 2025.

<sup>36</sup> Christoper J. Kopka, Cooperative Business Structures: Access to Capital via Equity and Credit. *Handbook of Research on Cooperatives and Mutuals*, Pages 100 – 114, 2023.

cooperative. Deposit/Savings Accounts: Members may open deposit accounts within the cooperative. Subscription Fees and Annual Dues: Regular contributions from members, including subscription fees and annual dues, can also contribute to capital<sup>37</sup>.

**(b). Retained earnings (Institutional capital)/Unallocated Funds:** Cooperatives can retain a portion of their profits, which are not distributed to members, as institutional capital. Proceeds from Assets: Proceeds from the sale of assets can also be used to build up capital<sup>38</sup>.

**(c). External funding and Loans/debt financing:** Cooperatives, same as other business models can borrow money from financial institutions, or obtain loans from commercial banks or cooperative banks, or receive grants/donations from government agencies, international organizations, or private foundations. Social bonds can be issued to raise capital, with investors receiving a return and contributing to the cooperative's mission. Importantly, some cooperatives that are better known as stock exchange cooperatives buy and sell shares like public companies<sup>39</sup>.

In addition to raising capital through the above means and utilising same for economic activities along the earlier listed eight sectorial divisions of the ICA, there is the rather contemporary trend of cooperatives participation in the capital market<sup>40</sup>.

## **6.0 Analysis of Some of the Highlights of the ISA Act, 2025 along the Peculiarities of Nigerian Cooperatives**

Despite the enormous potentials, there are noticeable challenges with cooperatives participation in the capital markets across jurisdictions. These challenges are immersed in legal and regulatory barriers. Nigeria is not an exception to this generalization. As stated earlier, the ISA 2025 did not make a single mention of cooperatives, however a purposive interpretation of its provisions may well showcase its reception of the cooperative model of business. An understanding of this legislative intention may be gained through an evaluation of some of the highlights of the ISA 2025.

---

<sup>37</sup> *ibid*

<sup>38</sup> *ibid*

<sup>39</sup> *ibid*

<sup>40</sup> *ibid*

**(a) Improved Regulatory Oversight for Securities and Exchange Commission (SEC)**

ISA 2025 provides that a person shall not operate in the Nigerian capital market or carry on investments except such person is registered in accordance with the ISA 2025 and the rules and regulations made under it<sup>41</sup>. SEC is further statutorily empowered to make orders or take steps in the best interests of the capital market as well as in the best interests of the public. At doing this SEC is statutorily required to apply to the appropriate court as provided under the Companies and Allied Matters Act, 2020<sup>42</sup>. ISA 2025 makes some provisions that holds farther reaching effects than equivalent provisions of the Nigerian Cooperative Societies Act 2004. Some of these are highlighted as follows:

Appointment of the chief executive and other principal officers of a capital market operator shall be subject to prior notification and ratification by the Commission,<sup>43</sup> the NCSA does not have an equivalent or similar provision.

The Commission may suspend or remove the chief executive or a principal officer of a capital market operator if it is satisfied that such officer has contravened, failed, or refused to comply with the provisions of this Act or any rules and regulations Of the Commission<sup>44</sup>, the NCSA does not have an equivalent or similar provision; and

A capital market operator shall maintain separate accounts for transactions for each statutory purpose<sup>45</sup>, the NCSA does not have an equivalent or similar provision. The closest the NCSA provides in comparison to the foregoing provisions of the ISA 2025 is contained in Section 35 of the NCSA: *Misapplication of the property of a society*; Section 36 of the NCSA: *Audit*; and Section 37 of the NCSA: *Inquiry and inspection*. Unfortunately, these provisions of the NCSA are not in any way as potent in comparison to the letters and spirits of ISA 2025

---

<sup>41</sup> S 61 (1) (2) of Investment and Securities Act, 2025

<sup>42</sup> Section 26, Section 36 (4), & Section 37 (1) of ISA 2025 ditto

<sup>43</sup> Section 29 (1) of ISA 2025 ditto

<sup>44</sup> Section 29 (a) (b) (c) of ISA 2025 ditto

<sup>45</sup> Section 64 (1) (2) (3) of ISA 2025 ditto

Furthermore, SEC is now statutorily enabled to access data from telecommunication and internet providers with a view to effectively track both legal and illegal activities<sup>46</sup>. Some of the envisaged illegal activities may include insider trading, market manipulation, and fraudulent investment schemes. This regulatory authority is aimed towards enabling SEC like the Economic and Financial Crimes Commission (EFCC) to gather intelligence with the aim to amongst others protect investors and keep the integrity of the Nigerian capital market. On the contrast the NCSA does contain provisions for gathering intelligence on suspicious criminal activities or civil breaches of its provisions.

ISA 2025 makes provision that prohibits and fiercely address the menace of Ponzi schemes that were prevalent in the Nigerian Capital Market. It empowers SEC to act decisively with the imposition of severe penalties on promoters of such schemes<sup>47</sup>. Additionally, the new provisions empower SEC to institute criminal proceedings against promoters of Ponzi schemes, a process that including a minimum fine of twenty million naira only (N20,000,000.00), or a ten (10) year prison sentence, or both<sup>48</sup>. This could not have come at a better time when Nigeria is battling with the negative effect of the contributory scheme *c-bex*, which has recently turned out to be a ponzi scheme<sup>49</sup>.

The new provision authorizes the utilization of Legal Entity Identifiers (LEIs) for capital market transactions<sup>50</sup>. This mechanism is hoped to hinder fraudulent transactions and support improved tracking of financial activities.

Investor protection is at the forefront of the intendment of ISA 2025, hence the maintenance of efficient and transparent market, and facilitation of capital formation is emphasized.<sup>51</sup>

---

<sup>46</sup> Section 3 (4) of ISA 2025 ditto

<sup>47</sup> Section 139 of ISA 2025 ditto

<sup>48</sup> *ibid*

<sup>49</sup> Crypto Bridge Exchange (CBEX) was initially presented to Nigerians as a registered contributory investment scheme. The representation attracted investment worth millions of United States of America from a wide spectrum of Nigerians. However, the scheme as turned out as fraudulent with the investment of Nigerians uncertain. [www.gaurdiannewspaper.ng](http://www.gaurdiannewspaper.ng). Accessed on 7<sup>th</sup> October, 2025.

<sup>50</sup> Section 123 (1) (2) (3) incomplete. Furthermore, according to section 357; the interpretation section of ISA 2025: "legal entity identifier" means a code that uniquely identifies every distinct entity or structure that is a party to a financial transaction;

<sup>51</sup> S 3 (1) (2) of Investment and Securities Act, 2025

Thus, ISA 2025 empowers the Commission to intervene in the management and control of capital market operators, public companies and regulated entities which it considers have acted in a manner detrimental to the interest of its investors, shareholders, or in the case of corporate governance violations.<sup>52</sup> break the sentence, it is too long

Furthermore, in conjunction with the Attorney General of the Federation, ISA 2025 makes provisions that SEC may provide information and assistance on request to other local and foreign regulators on freezing or sequestration of funds or assets within Nigeria, promote innovations in the capital market, conduct, cause to be conducted, and disseminate research findings on any matter that falls within the purview of the ISA 2025 which relates to domestic and foreign regulators and supervisors of other financial institutions including entering into cooperation agreement on matters of common interest; prepare guidelines, organise training programmes and disseminate information necessary for the establishment of securities exchanges and other market venues.<sup>53</sup> please, break the paragraph into sentences.

Additionally, where SEC is empowered to take any action against an entity or its officers that is also regulated by another regulator, for instance a cooperative, SEC shall collaborate with the regulator of such entity in taking any regulatory action in accordance with the framework agreed between the Commission and such regulator<sup>54</sup>. This obviously opens a window for the participation of Nigerian cooperatives in the Nigerian capital markets if properly harnessed.

#### **(b) Classification of Securities Exchange**

ISA 2025 classifies the Nigerian security exchange into two (2) categories <sup>55</sup>: (a) composite securities exchange; or (b) non-composite securities exchange. A composite securities exchange shall permit the listing, quotation and trading of all types of securities, commodities or financial products or instruments on its platform and shall perform such functions as may be prescribed by the Commission. A non-composite

---

<sup>52</sup> S 4 (a) (f) (i) of ISA 2025 ditto

<sup>53</sup> S 3 (4) (i) of ISA 2025 ditto

<sup>54</sup> Section 5 (f) of ISA 2025ditto

<sup>55</sup> Section 27 (1) (2) (3) of ISA 2025 ditto

securities exchange may be registered by the Commission as a mono securities exchange which specializes in the listing, quotation and trading of a security, commodity, or financial product or Instrument; or an alternative trading system which provides trading systems that bring together orders from buyers and sellers and could be set in either a physical location or be made available for trading activities on the Internet. This opens the space in the Nigerian capital market to cooperatives to participate either as Composite securities exchange; or non-composite securities exchange.

It appears Nigerian cooperatives may be more suitable for participation as a the later, particularly as “alternative trading system which provides trading systems that bring together orders from buyers and sellers and could be set in either a physical location or be made available for trading activities on the Internet”.

### **(c) Statutory Recognition of Digital Assets**

The last one decade has seen an exponential increase in the availability of internet services in Nigeria, hence a consequential increase in the number of services associated with information and communication technology (ICT). Therefore, ISA 2025 provides for the legal recognition of virtual assets and investment contracts as securities<sup>56</sup>. This brings Virtual Asset Service Providers (VASPs), Digital Asset Operators (DAOPs), and Digital Asset Exchanges under the SEC’s regulatory of digital assets is a milestone that enables financial technology companies with a smoother and better secured inroad into the Nigerian economy. For instance, platform cooperativism, which is the practice of cooperatives through the means of ICT has fast earned a place as a norm across the globe. In Nigeria the adoption of ICT by cooperatives in growing by the day, hence the propensity of Nigerian cooperatives to hold and trade in digital assets is becoming a norm. However, the NCSA makes no provision for ICT facilitated transactions, while

---

<sup>56</sup> The interpretation section of ISA 2025 defines virtual assets as mechanism for bringing together buyers and sellers of securities, through commodities, or financial products or instruments; for matching bids and offers for securities, virtual assets, commodities, or financial products or instruments of multiple buyers and sellers; and whereby a matched bid and offer for securities, virtual assets, commodities, or financial products or instruments constitutes a transaction.

these emerging circumstances require statutory enablement to secure validity<sup>57</sup>. Thus, the NCSA and other allied Nigerian legislation require urgent reviews to keep tab with the evolution. If appropriately harnessed, cooperative will be equipped in accordance with the Second Schedule of ISA 2025 invest in virtual assets, digital assets and other distributed ledger technology (DLT) offers, tokens and products.

#### **(d) Statutory Upgrade of Capital Market Infrastructure**

ISA 2025 establishes Composite Exchange that encompasses all types of securities, and Non-Composite Exchange which encompasses specific asset types<sup>58</sup>. Additionally, ISA 2025 supports transparency and more efficient transactions with provisions for clearing houses and trade depositories, thus a better structured and efficient capital market with capacity to meet the diverse needs of investors. This creates a window to accommodate new and emerging strands of participants such as the cooperative movement particularly in their bid for industry specific *"financial market infrastructure (FMI)"*. The interpretation section of ISA 2025<sup>59</sup> defines FMI as any entity set up to carry out centralised multilateral clearing settlement, caching or recording activities or provide a platform for trading securities, and, includes systemically important market participants, trade repositories, securities exchanges, central counterparties, central clearing houses and central securities depositories, and securities settlements systems.

The above provides the cooperative alternatives to create a “cooperatives FMI” or integrate into already known FMIs.

#### **(e) Robust Framework for Commodities Exchange and Warehouse Receipts**

ISA 2025 makes provision for the regulation of commodities trading<sup>60</sup>, thus enhancing price discovery in the Nigerian Capital Market. This is aimed towards the promotion of investment in agricultural production and through farmers having better access to

---

<sup>57</sup> Ajibola A. Akanji, Division and Amalgamations Under the Nigeria Cooperatives Societies Act: An Appraisal. *The Korean Journal of Cooperative Studies*, Vol. 40, No 1, 2022.

<sup>58</sup> Section 27 (1) (2) (3) of ISA 2025 ditto

<sup>59</sup> Sections 41 to 44 of ISA 2025 ditto

<sup>60</sup> Section 226 (1) provides that a person shall not, whether as principal or agent, carry on business of or hold Registration of himself out as —a commodity trading adviser, or leveraged commodity trading. The interpretation section of the ISA 2025 further on commodity trading.

financing. This holds the potentials to reposition the agricultural and agro-allied sector as integral to the larger Nigerian economy. The agriculture and agro-allied industry have always been an important sector of the Nigerian economy, with the cooperative movement standing as its backbone from time immemorial<sup>61</sup>. The above provision of ISA 2025 holds the potential to revertilise agricultural cooperatives if properly harnessed. Furthermore, ISA 2025 defines a warehouse" as any commercial space, building, silo, cold chain, tank farm or compressed tank, vessel, vault, structure or other protected enclosure approved by the Commission to be used or useable, for the storage or conditioning of commodities or buildings used for storage purposes or including operation of a warehouse which issues warehouse receipt in relation to commodities to be traded on a registered exchange.<sup>62</sup>

A *warehouse* operator is defined as a person registered under this Act engaged in the business of operating or controlling a warehouse for receiving, storing, shipping or handling of commodities for a fee and includes its agent or employee<sup>63</sup>. ISA 2025 makers further provisions for "warehouse operator's lien"; "warehouse receipt"; and "warehouse receipt system"<sup>64</sup>. The foregoing provisions of warehouse and allied matter sets the ball rolling for cooperatives to invest more into commercial agricultural value chain, perhaps in segments where cooperatives are currently reclusive<sup>65</sup>. These areas include building, silo, cold chain, tank farm or compressed tank, vessel, vault and other agricultural overheads which are currently short in supply in Nigeria.

#### **(f) Expansion of Categories of Issuers Permitted to Raise Funds**

Provisions of ISA 2025 expands the categories of issuers permitted to raise funds from the Nigerian capital market<sup>66</sup>. The circumstance although subject to the approval of SEC creates space for a wider spectrum of innovative financial instruments which holds the

---

<sup>61</sup> Adebayo Akinola, Ayodeji Kehinde, Akeem Tijani, Adeolu Ayanwale, Oluwafunmilola Adesiyani, Victoria Tanimonure, Ayodeji Ogunleye, and Temitope Ojo, Impact of Membership in Agricultural Cooperatives on Yield of Smallholder Tomato Farmers in Nigeria. *Journal of Environmental and Sustainability Indicators*, 100313, 2023.

<sup>62</sup> Ss240 to 267

<sup>63</sup> *ibid*

<sup>64</sup> *ibid*

<sup>65</sup> *ibid*

<sup>66</sup> S 27 (3) (a) (b) of Investment and Securities Act, 2025.

potentials to accommodate and benefit Nigerian cooperatives. For instance, ISA 2025 defines an *Issuer* as any person or entity that issues securities under this Act, in relation to collective investment schemes any person or company discharging the duties of a manager under the provisions of the trust deed or other agreement under which the units or securities are issued or such other person as may be determined by the Commission, or in relation to issuance of securities under Part XVI, the body or bodies referred to in section 268 of this Act. Furthermore, the above provision appears to have significant relationship with the an earlier provision of the ISA as contained in section 27 (1) (2) (3) to wit “*alternative trading system which provides trading systems that bring together orders from buyers and sellers and could be set in either a physical location or be made available for trading activities on the Internet*” hence may be constructive interpreted to accommodate and benefit Nigerian cooperatives.

#### **(g). Cooperatives as a Collective Investment Scheme**

Recently, narratives abounded of cooperatives and quasi-cooperatives<sup>67</sup> running variants of collective investment schemes. While such initiatives may be laudable on the one part, on the other hand there have been recorded cases of undesirable consequences. Such recorded negativities have resulted from the inappropriate use of the cooperative model, or poor management of such scheme, or poor expertise in collective investment scheme, or outright intention to perpetrate fraud through the promotion of a collective investment scheme.

One of the noticeable problems with cooperatives participation in the collective investment scheme is absence of regulation and standardization. Which is primarily the consequence gaps in the legal frameworks. For instance, the NCSA does not have specific provisions on collective investment scheme. On the other hand, cooperatives are not registered under the provisions of ISA 2025 or the Companies and Allied Matters Act 2020, hence not subject to regulation by either SEC or Corporate Affairs Commission

---

<sup>67</sup> Only an association of persons registered as cooperatives and strictly guided with cooperative ethics and law may be referred as cooperatives. Others such as unregistered association, or registered association that are not guided by cooperative ethics and cooperative law may be rightly categorised as Quasi-cooperatives. Registration in this regard is either with the federal department of cooperative or the department of cooperatives in any of Nigeria’s thirty-six (36) states or the Federal Capital Territory.

(CAC). These new provisions of ISA 2025 hold the potential to bring a cooperative under the regulatory purview of SEC and CAC to extend their involvement in collective investment schemes.

However, this will be subject to cooperatives getting registered under ISA 2025. This will require additional registration of interested cooperatives under Companies and Allied Matters Act, 2020<sup>68</sup>. This argument aligns with the provisions of Section 158 (1) (2) (3), (4), of the ISA 2025 which provide that a person shall not, directly or indirectly, deal in units or participatory interest of a collective investment scheme unless such units or participatory interest have been duly registered with the Commission. It is sufficed to state that disregarding any of this provision attracts criminal liabilities in accordance with the ISA 2025<sup>69</sup>.

#### **(h) Self-regulatory Organisations and Trade Associations**

Cooperatives are fundamentally designed to function as self-regulatory organisations; hence cooperatives are operated by their members who are saddled with the responsibilities of determining the governing rules and policies. This establishes the autonomy and independence which cooperatives enjoy. These characteristics ensure members maintain control in a democratic decision-making environment. Although, external regulations as contained in public international law and national legislation apply to cooperatives.

Notwithstanding, cooperatives are self-governed in accordance with cooperative ethics. Furthermore, although Nigerian cooperatives are not registered as trade unions, the first set of Nigerian trade unions are the cooperatives, and till date, a significant number of individual members of trade unions are also members of cooperatives. Additionally, there exists a thin line between trade associations in Nigeria as currently constituted and the Nigerian cooperative movement. ISA 2025 defines<sup>70</sup> a *self-regulatory organisation* as any entity registered or recognised by the Commission as such. This provision opens a frontier for cooperatives to register with the SEC as well as maintain their registration

---

<sup>68</sup> S 157 (1) (2) (3) of Investment and Securities Act, 2025

<sup>69</sup> Ss 169 – 172 of ISA 2025 ditto

<sup>70</sup> Section 357 of ISA 2025 ditto

under the Nigerian Cooperatives Societies Act 2004. This is subject to amongst others ISA 2025 provisions at section 60 (a) that a self-regulatory organisation or trade association shall always act in public interest to ensure the integrity of the market. ISA 2025 provides that an entity, trade group or association shall not operate or hold itself out as a self- Registration or a regulatory organisation unless registered as such by the Commission upon fulfilment self-regulatory of the conditions as the Commission may prescribe<sup>71</sup>. The Commission shall register an entity as a self-regulatory organization where the Commission is satisfied that such an entity is able to discharge the obligations of a self-regulatory organisation under this Act and the rules and regulations made under it<sup>72</sup>. In further alignment with cooperative ethics, ISA 2025 provides *inter alia* at section 59 (3) “*upon receipt of a no objection from the Commission. an entity registered under subsection (2) may, under the terms of an agreement with another self-regulatory organisation, take-over some or all of the obligations of such self-regulatory by its members of any provision of this Act or the rules and regulations made under it; and not make a decision under its rules that adversely affects the rights of a member unless it has given the affected member an opportunity to make representations to it about the matter*”.

The above provision of the ISA 2025 aligns with the sixth principle of cooperatives *cooperation among cooperative* and may be well utilize by the Nigerian cooperative movement to harness benefits inherent in the intersection of cooperatives and the capital market.

#### **(i) The Investor Protection Fund (IPF)**

This is another innovative provision of the ISA 2025. It promotes investors’ protection and market integrity<sup>73</sup>. It supports the assertion that investors’ confidence is central to the Act as it makes provision for and guarantees compensation to investors who suffer financial losses due to the revocation or cancellation of a dealing member firm’s registration. Under the previous Act, such compensation was limited to cases of

---

<sup>71</sup> Section 59 (1) of ISA 2025 ditto

<sup>72</sup> Section 59 (2) (3) of ISA 2025 ditto

<sup>73</sup> Section 198 – 223 of ISA 2025 ditto

bankruptcy, insolvency and negligence. This provision of ISA 2025 may serve to restore members/investors' confidence in the cooperative business model, hence a better appreciation of cooperatives by both the private and public sectors of the Nigerian economy. The Nigerian cooperative societies act has no specific provision on investor protection.

However, some provisions of the Act may be safely presumed at aiming towards investor protection. For instance, sections 30 – 35 *Property and funds of registered societies*, and sections 36 – 37 *Audit, inspection and inquiry*. It is trite to posit that the foregoing are not commensurate with standard best practices on investor protection. Given this relative lacuna/gap it becomes succinct that provisions of ISA 2025 are interpreted to fill the gap.

#### **(i) The Investments and Securities Tribunal**

The Act reforms the Tribunal,<sup>74</sup> which is responsible for resolving capital market disputes. The Act introduces amendments to its composition, jurisdiction, and appointment process to improve efficiency, and ensure that investors have swift access to legal recourse in case of regulatory breaches or market misconduct. On the contrast, one of the foundational gaps in Nigerian cooperative legislation is feeble provisions made for adjudication and arbitration. Importantly, the Nigerian Cooperative Societies Act makes no provision for a cooperative tribunal. This peculiarity has been largely contributory to the stunted growth of Nigerian cooperatives.

However, the converse is the case with ISA 2025 wherein the legislature appears to have taken all necessary precautions to make provisions for a tribunal with capacities to stand the test of global best practices. ISA makes provision for a tribunal that shall consist of 12 persons to be appointed as members by the President Composition of the on the recommendation of the Minister as follows —Tribunal a Chairman who shall be a legal practitioner with at least 15 years post call experience in capital market matters; five full-time members comprising — four legal practitioners with at least 10 years' post-call experience in capital market matters, and one person who is not a legal practitioner with 10 years' experience in capital market matters; and six part-time members, two of whom

---

<sup>74</sup> Part XVII: Ss 314 – 339 of Investment and Securities Act, 2025

shall be legal practitioners with at least 10 years' post-call experience in capital market matters, and four other persons who are knowledgeable in capital market matters

## **(6). Conclusion and Recommendations**

The Investment and Securities Act 2025 represents a significant evolution in Nigeria's legal and regulatory of Nigeria's capital markets. The Act reflects a deliberate effort to modernise in line with global best practices, particularly in an era of increasingly sophisticated financial products, digital investment platforms, and a growing retail investor base. From expanded rights and remedies to strengthened obligations of market operators, enhanced enforcement mechanisms, and structured investor education mandates, the ISA 2025 attempts to broaden the scope of investors that participate in the Nigerian capital market. However, substance of the ISA 2025 is at a sharp contrast in comparison to the Nigerian Cooperative Societies Act, 2004. Yet there is the growing involvement of the cooperative movement in capital market activities. Many of these activities are done from the purview of the cooperative movement often without any clear regards for legal frameworks because the Nigerian cooperative legislation does not envisage the participation of cooperative in capital market operations.

In a similar vein the ISA 2025 makes no specific provision for the participation of cooperatives in capital markets, neither does the Act make specific provisions excluding cooperatives from participation in the capital markets. Invariably, the practical implementation of this concept faces notable challenges. These include regulatory inertia, delayed adjudication, limited public awareness, weak enforcement of sanctions, insufficient funding, and non-autonomy of the Nigerian cooperative movement from the office of the director of cooperatives.

Furthermore, investor education and literacy remain low, particularly among cooperators in peri-urban and rural areas, hindering the actualisation of rights provided under the law.<sup>75</sup> Moreover, the lack of harmonisation between the ISA 2025 and the Nigerian Cooperative Societies Act and other financial regulations can lead to enforcement

---

<sup>75</sup> U Nwosu, 'Investor Literacy and Capital Market Participation in Nigeria' *West African Economic Review* (2023).

uncertainty in some cases, and in others jurisdictional overlaps. The foregoing lacuna is constructively construed to draw a positive interface between the Nigerian cooperatives and the Nigerian capital market. Amongst others, it is hoped that the sterling provisions of the ISA 2025 possess the capacity provide remedial for the various deficiencies inherent in the Nigerian Cooperative Societies Act, invariably draw the needed synergy between the cooperatives and the capital markets. To address the identified challenges, the following recommendations are imperative:

First, there is a need to strengthen the institutional independence of Nigerian cooperatives and the Nigerian capital markets to promote proactive and impartial relationships and investments.<sup>76</sup>

Second, massive public sensitisation campaigns should be implemented to ensure that cooperatives and cooperators understand their rights, obligations, and the available synergies with the Nigerian capital markets. This should be complemented with the integration of the interface between cooperatives and capital market education into school curricula and adult financial literacy programme<sup>77</sup>.

Third, the government should streamline legal processes and expand the jurisdiction of the Investment and Securities Tribunal to capture smaller claims, as well as the interests of the cooperatives, thereby promoting access to justice for retail investors.

Furthermore, regulators should adopt regulatory technology (RegTech) tools to enhance real-time monitoring of market operators, ensure compliance, and facilitate swift redress mechanisms.<sup>78</sup>

Nigerian Cooperative Societies Act, Cooperative Development Act, and the Companies and Allied Matters Act should be reviewed periodically to reflect emerging trends among Nigerian cooperatives and international best practices. Furthermore, the legislation

---

<sup>76</sup> SEC Nigeria, 'Five-Year Strategic Plan (2025–2029)' <https://sec.gov.ng> Accessed on 7<sup>th</sup> October, 2025.

<sup>77</sup> A Adebayo, 'Bridging the Financial Literacy Gap in Sub-Saharan Africa' *African Development Policy Review* (2022) 18 145.

<sup>78</sup> OECD, 'RegTech in Emerging Markets: Enhancing Compliance and Supervision' (2023) <https://oecd.org>. Accessed on 7<sup>th</sup> October, 2025.

should be reviewed periodically to accommodate technological innovations, market developments, and emerging risks in the securities industry.

Importantly, there is a need for inter-agency collaboration between the Nigerian cooperative movement, Securities and Exchange Commission, Central Bank of Nigeria (CBN), Nigeria Deposit Insurance Corporation (NDIC), and the Economic and Financial Crimes Commission (EFCC) to enforce robust synergy between the cooperatives and the capital market and to optimize the inherent benefit from such strategic collaborations. You did not make any recommendation on the amendment of ISA to include specific provision incorporating the participation of Nigerian cooperative in the capital market

In conclusion, the effective participation of Nigerian cooperatives in the capital market is one of the imperatives for bottom-up sustainable development. To optimize the potentials will require promising legal frameworks, political will, institutional integrity, regulatory dynamism, and public participation in the enforcement process.

Prior to this time, scholarly guide for the effective of Nigerian cooperatives in capital markets have been scanty. However, amongst others, this paper serves as a guidance notes to the effective participation of Nigerian cooperatives in the Nigerian capital market.