

BICCoN PUBLIC STATEMENT: HIGHLIGHTS FROM ENGAGEMENT WITH SEC DG.

The Blockchain Industry Coordinating Committee of Nigeria (BICCoN) is pleased by the impressive outcome of the Nigerian blockchain industry virtual engagement with Dr. Emomotimi John Agama, Director General of the Securities and Exchange Commission (SEC), on Monday 6th May 2024.

The engagement, which recorded 480 registrations and more than 90% of that number in attendance, is a testament to the established presence of the blockchain/digital assets industry in the country. Furthermore, it is a pointer to the overwhelming interest in a friendly regulatory environment for the ecosystem to legitimately thrive in the country.

A Positive Head Start

The meeting commenced with a warm exchange, with the SEC DG expressing appreciation to the industry for its reception of his appointment and expressed the commitment of the SEC under his watch to establish an ecosystem friendly regulatory environment. He emphasized the importance of prioritizing national interest and integrity while fostering a legitimate and thriving ecosystem.

Commitment to a Conducive Environment

The DG assured industry participants of his resolve to create a conducive environment for the responsible growth of the blockchain sector. He highlighted the Commission's dedication to combating any activity that undermines the nation's financial stability. He raised the concern of currency speculators taking advantage of the listing of the NGN/USDT pair on unregulated exchanges to manipulate the Naira, hence creating artificial inflation and economic instability.

He appealed for cooperation and collaboration from industry stakeholders and players. BICCoN and its member blocs welcomed this proposal of collaboration with the SEC to identify and address bad actors, in order to pave the way for legitimate players to flourish.

Industry Participation in Regulatory Development

The DG acknowledged the industry's valuable role in shaping regulations. We are encouraged to learn from the DG that feedback from BICCoN and the public is being incorporated into the proposed amendment of the Rules on Issuance, Offering Platforms and Custody of Digital Assets. BICCoN remains committed to collaborating with the SEC to ensure these regulations are effective, fostering innovation and protecting consumers.



Focus on Transparency and Streamlined Processes

Furthermore, the DG revealed the President's keen interest in the blockchain industry, recognizing its economic potential for the youth population, with daily growing interest. He made known to participants that the upcoming guidelines, when made publicly, will be applicable across the Nigerian virtual asset ecosystem. He expressed the commission's intention to streamline the licensing application process for a more seamless experience for applicants.

Collaboration Through Open Communication

The DG strongly encouraged industry participation in identifying bad actors through responsible whistle-blowing practices. BICCoN concurs to this call to action, we emphasize the importance of a collective effort to maintain a healthy and reputable industry.

Industry Response and Moving Forward

BICCoN Chairman, Mr. Lucky Uwakwe, expressed gratitude to the DG for prioritizing this engagement. He emphasized the need for regulations that nurture innovation while ensuring responsible practices. Mr. Chuta Chimezie, BICCoN Vice Chairman, moderated the session, facilitating valuable discussions between industry representatives and the SEC.

Comments from various BICCoN member blocs (including the Blockchain Nigeria User Group (BNUG), Cryptography Development Initiative of Nigeria (CDIN), Stakeholders in Blockchain Technology Association of Nigeria (SiBAN), and the Digital Currency Coalition (DCC); highlighted the desire for innovation-friendly regulations. Industry representatives pledged their support for the SEC in developing a workable regulatory framework.

Participant Concerns and Recommendations

The open forum addressed participant concerns regarding regulations and potential solutions for a robust ecosystem. Key points raised included:

- The potential for a temporary delisting of NGN pairs on exchanges until the VASP guidelines are finalized. While this was a proposition put forward by a participant, it does not reflect the collective desire of the community. It is our view that an extreme measure like this will drive peer2peer users underground where it would be difficult to regulate. We rather propose a licensing regime which will give little to zero room for speculations. The problem complained of bother on speculation and the risk-based approach will be to address the problem directly rather than dismantling the entire market that is likely to create even deeper problems.



- The need for collaboration among regulators to establish a settlement currency for cryptocurrencies, potentially a digital Naira.
- The exploration of a tiered licensing system based on a VASP's average revenue volume.

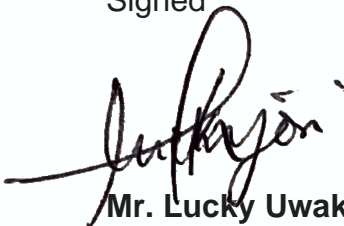
Looking Ahead: A Working Group and Open Communication

BICCoN is encouraged by the SEC's commitment to establish a working group for ongoing collaboration. We are confident that this group, along with continued open communication, will foster a mutually beneficial relationship between the industry and the SEC.

BICCoN remains committed to working with the SEC and other regulators to ensure Nigeria establishes a regulatory framework that fosters innovation, protects consumers, and positions the country as a leader in the global blockchain industry.

We thank Dr. Agama and all participants for making this first of its kind engagement a huge success. We look forward to a future of productive collaborations for the wellbeing of the industry.

Signed



Mr. Lucky Uwakwe
Chairman

Blockchain Industry Coordinating Committee of Nigeria

