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PUBLIC STATEMENT

THE ENACTMENT OF THE INVESTMENT AND SECURITIES ACT 2025: A NEW ERA FOR DIGITAL ASSETS IN NIGERIA

The **Blockchain Industry Coordinating Committee of Nigeria (BICCoN)** warmly welcomes the recent enactment of the **Investment and Securities Act (ISA) 2025**, signed into law by **His Excellency, President Bola Ahmed Tinubu**. This landmark legislation marks a significant milestone in Nigeria's capital market regulation and introduces critical reforms that directly affect the nation's growing Web3 and digital assets ecosystem.

As Nigeria's apex blockchain industry coordinating body—comprising associations such as the **Blockchain Nigeria User Group (BNUG)**, **Cryptography Development Initiative in Nigeria (CDIN)**, **Stakeholders in Blockchain Technology Association of Nigeria (SiBAN)**, the **Network of Blockchain Solutions Advocates Association (NOBSAA)** and other associations as well as independent ecosystem participants—**BICCoN** recognizes the **ISA 2025** as a historic opportunity to deepen innovation while ensuring a more structured and secure digital asset economy. We commend the **Securities and Exchange Commission (SEC)** and the **National Assembly** for their foresight and collaborative effort in ushering in this forward-looking legislation.

One of the most notable provisions in the ISA 2025 is the formal recognition of digital and virtual assets as securities. This statutory clarity provides a foundation for Web3 ventures and significantly reduces regulatory ambiguity—enabling investors, developers, and businesses to operate with greater confidence, legitimacy, and regulatory protection. The establishment of a licensing framework for Virtual Asset Service Providers (VASPs) and Digital Asset Operators offers a pathway to foster responsible innovation while deterring illicit activity.

The criminalization of Ponzi schemes under the new Act is another vital development. This protective measure addresses a long-standing challenge in Nigeria's investment framework, especially in the digital space, and reinforces trust in legitimate blockchain applications.



Additionally, the inclusion of systemic risk management mechanisms such as the mandatory use of Legal Entity Identifiers (LEIs) and expanded oversight powers for the SEC reflects Nigeria's maturing approach to regulating digital financial markets. These reforms provide an essential layer of transparency and accountability for emerging blockchain-based financial products.

Nonetheless, BICCoN notes that there are areas requiring further clarification and regulatory refinement. Chief among them is the need for comprehensive and unambiguous definitions of various categories of digital assets, including utility tokens, stablecoins, non-fungible tokens (NFTs), and decentralized finance (DeFi) products. Additionally, the onboarding process for operators must be guided by principles of transparency, timeliness, and technological neutrality.

Furthermore, BICCoN reiterates its long-standing call for a harmonized, cross-regulatory framework involving the SEC, the Central Bank of Nigeria (CBN), and the National Information Technology Development Agency (NITDA). Such collaboration is essential to avoid fragmented oversight and ensure a conducive environment for innovation. We also encourage regulators to begin contemplating the development of policies for decentralized autonomous organizations (DAOs) and AI-driven agents, both of which are expected to play significant roles in the next generation of blockchain adoption.

While BICCoN is fully aligned with the SEC's investor protection goals, we encourage a flexible interpretation of the legislative classification of virtual assets as securities. Given the evolving nature of blockchain-based technologies, a one-size-fits-all regulatory approach could hinder innovation. In cases where a more nuanced approach is merited, exemptions or alternative classifications should be considered.

In conclusion, **BICCoN considers the ISA 2025** a monumental stride toward legitimizing, structuring, and scaling digital asset innovation in Nigeria. However, the full realization of its promise lies in thoughtful, inclusive, and practical implementation. **BICCoN** reaffirms its commitment to working with regulators, innovators, policymakers, and the public to ensure Nigeria leads Africa in blockchain regulation, innovation, and inclusive economic development.



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