

UPDATE ON THE SECURITIES AND EXCHANGE COMMISSION PUBLIC NOTICE ON ONLINE RETAIL FOREIGN EXCHANGE TRADING

Online retail foreign exchange trading involves electronic trading including the process whereby individuals speculate on the exchange rate between currencies and the process of buying and selling of different currencies. The platform has risen in the past few years and amounts to a significant minority of foreign exchange trading.

Despite its growing popularity, online retail foreign exchange trading has been fraught with fraud, thereby necessitating the issuance of precautionary advices by sector regulators in various countries on the need to trade with caution.

Nigeria is no exception to this. Online retail foreign exchange trading is not included in the spectrum of foreign exchange trading activities for which legislation exists and it is thus unregulated in the country. On October 19, 2018, the Securities and Exchange Commission ("SEC") issued a public statement on foreign exchange trading.

SEC, in response to increased advertisements soliciting investors to engage in online retail foreign exchange trading, has warned that online retail foreign exchange trading may be subject to abuse and that investors proceed at their own risk until SEC develops a framework for its regulation.

Therefore, those seeking to invest in online retail foreign exchange trading should proceed with caution.

This alert is for general information only. It is not offered as advice, on any particular matter, whether legal, procedural or otherwise.

For more information on this Article, please contact your usual contact at Bloomfield LP.