Rules On Shariah Advisory Services For Non-Interest Capital Market Products And Services

1. Definition of Terms

Shariah Adviser means an independent professional (individual or corporate), who is a trained Shariah scholar, or in the case of a corporation has a minimum of two (2) sponsored individuals trained as Shariah scholars, registered by the SEC to advise and/or provide certification to a financial institution or entity on Shariah compliance of its products or services provided that the Commission may allow/recognize foreign Shariah Advisors to participate in any kind of transaction.

Shariah Scholar means an individual who possess relevant qualifications and experience in Islamic Jurisprudence as set out in these Rules.

2. Scope of Products and Services

The products and services which require the services of a Shariah Adviser include all Islamic/Non-Interest Capital Market Products and Services as may be approved by the Commission.

3. Appointment of Shariah Adviser

(1) An issuer or fund manager with the consent of the trustee (where applicable) shall appoint a Shariah Adviser to provide Shariah Advisory services for Shariah products, issuances and schemes.

(2) A capital market operator seeking to provide Shariah-compliant products and services shall appoint a registered Shariah Adviser for the firm and notify the Commission of such appointment within five (5) business days of the appointment.

(3) In the event of replacement or change of existing Shariah adviser, the consent of the trustee shall be obtained prior to filing with the Commission.

4. Criteria for Registration and Renewal of Registration

The Commission may register a Shariah Adviser or renew the registration of a registered Shariah Adviser subject to the applicant satisfying the criteria set out in this Rules.

(1) **Qualification for Registration as individual Shariah Adviser**

An individual eligible to provide Shariah Advisory services under these rules shall satisfy the following requirements:

(a) Possession of a minimum of a Bachelor's degree in Shariah, which includes study in Usul Fiqh (principles of Islamic jurisprudence) or Fiqh Muamalat (Islamic transaction/commercial law) or a person with vast knowledge in Usul Fiqh (principles of Islamic jurisprudence) or Fiqh Muamalat (Islamic transaction/commercial law) acquired through Islamic system of education as may be recognized by the Commission, or be certified Shariah Adviser and Audit (CSAA) issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), or any other recognized institution.

(b) Ability to read and write in English and Arabic Languages.

(c) Possession of basic knowledge of business or finance particularly in Islamic finance and capital market.

(d) The applicant shall have at least:
   (i) two years of relevant experience in Islamic finance; or
   (ii) one year of relevant experience in Islamic finance and has attended at least five relevant Islamic finance courses/workshops.

(2) **Qualification for Registration as corporate Shariah Adviser**

Where the applicant is a body corporate:

(a) It shall employ two sponsored individuals to be responsible for Shariah matters for the products and services;

(b) Existing corporation with established Shariah Board, shall file an application for regularization of the Shariah members to be responsible for Shariah matters;

(c) The individuals responsible for Shariah matters shall satisfy the following requirements:
   (i) possession of a minimum of a Bachelor's degree in Shariah, which includes study in Usul Fiqh (principles of Islamic jurisprudence) or Fiqh Muamalat (Islamic transaction/commercial law) or a person with vast knowledge in Usul Fiqh (principles of Islamic jurisprudence) or Fiqh Muamalat (Islamic transaction/commercial law) acquired through Islamic system of education as may be recognized by the Commission, or be certified Shariah Adviser and Audit (CSAA) issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), or any other recognized institution;
   (ii) ability to read and write in English and Arabic Languages;
   (iii) possession of basic knowledge of business or finance particularly in Islamic finance and capital market.

(d) The Managing Director of the entity shall be a sponsored individual.

5. Fit and proper criteria

The applicant shall:

(1) not have been convicted for any offence arising from criminal proceedings;
(2) not have been convicted of an offence under the securities law;
(3) not have been declared bankrupt;
(4) be a person of good repute and character;
(5) in the case of a person possessing a professional qualification, not be restricted, disqualified, or suspended from practicing his/her profession by an order of any competent authority.

6. Documents to be filed for Registration

(1) **Individual Shariah Adviser**

An application for registration as an individual Shariah adviser shall be filed on appropriate SEC Form and shall be accompanied by:

(a) a certified copy of certificate of registration of business name (where applicable);
(b) a sworn undertaking to comply with the provisions of the Act and these rules and regulations as may be required from time to time by the Commission;
(c) evidence of minimum net worth of ₦500,000.

(2) **Corporate Shariah Adviser**

An application for registration as corporate Shariah adviser shall be filed on the appropriate SEC Form and shall be accompanied by:

(a) Two (2) sets of completed Form S.E.C. 2 to be filed by the sponsored individuals;
(b) a copy of certificate of incorporation certified by the Corporate Affairs Commission. Provided that where an uncertified copy is filed, the applicant shall present the original for sighting by an authorized officer of the Commission;
(c) a copy of Memorandum and Articles of Association certified by the Corporate Affairs Commission which shall among others include power to act as investment adviser;
(d) a copy of CAC Form containing particulars of the directors certified by the Corporate
Affairs Commission.;
(e) a copy of latest audited financial statements or audited statement of affairs for companies in operation for less than one (1) year;
(f) fidelity bond representing 20% of paid-up capital;
(g) a sworn undertaking to keep proper records and render returns;
(h) evidence of minimum paid-up capital of ₦50 million.

7. Requirements for Non-Resident Individual Shariah Adviser

A Fund Manager or Issuer or any other capital market operator who seeks to appoint a nonresident individual Shariah Adviser shall file the following information with the Commission:

(1) Full name and address of the Shariah Adviser.
(2) Jurisdiction of residence.
(3) Contact information.
(4) Shariah qualification and experience.
(5) Letter of appointment/registration as Shariah Adviser from any other jurisdiction.
(6) Any other information as the Commission may require.

8. Roles and Responsibilities of a Shariah Adviser

(1) The roles of a Shariah Adviser shall include:
   (a) Advising on all aspects of the Non-Interest Capital Market Products and Services including documentation and structuring;
   (b) Issuing Shariah certification which outlines the basis and rationale of the structure and mechanism, the applicable Shariah principles used and relevant Shariah matters relating to the documentation of the Non-Interest Capital Market Products and Services;
   (c) Providing Shariah expertise/guidance on all matters, particularly on investment instruments, (d) Reviewing compliance reports of the Shariah product's proceeds utilization (where applicable) to ensure that investment activities are Shariah compliant;
   (d) Providing a periodic report to the trustees certifying whether SukUk proceeds, Islamic fund or any other Non-Interest Capital Market products have been managed/administered in accordance with Shariah principles and rules;
   (e) Ensuring that the applicable Shariah principles and any relevant resolutions and rulings endorsed are complied with;
   (f) Applying ijtihad (where applicable) to ensure all aspects of the Non-Interest Capital Market products comply with Shariah principles; and
   (g) Accountability for the quality, accuracy and soundness of his own decision or advice.

(2) Where there is divergent Shariah opinion between two or more advisers, the matter shall be referred to the Commission for determination.

9. Restrictions on Shariah Adviser

(1) A Shariah Adviser shall not accept any appointment in more than one registered Islamic Fund Management Company/Fund Management company offering Islamic

products provided that the Shariah Adviser could serve in multiple Fund Management Companies with the consent of the Fund Managers, Trustees, and prior approval of the SEC.

(2) A Shariah Adviser shall immediately disclose to the Commission, Issuing House or Fund Manager any circumstances that may affect his ability to meet any of the requirements of this rule.

10. Procedures of Registration and Renewal of Registration

(1) To register or renew the registration as a Shariah Adviser, an applicant is required to submit to the Commission, the relevant forms and documents specified for the registration.

(2) A registered Shariah Adviser shall submit his application for renewal of registration to the Commission in line with relevant rules on renewal of registration.

11. Registration Fees

A qualified applicant seeking to register as Shariah Adviser shall pay the relevant fees to the Commission as Registration Fee for Shariah Advisory services.

12. Exemption

An entity registered as a Shariah Adviser shall be exempted from appointing compliance officers as required under the Commission's Rules and Regulations on Appointment of Compliance Officers, provided the entity only offer Shariah advisory services function.

13. Code of Conduct

Registered Shariah Advisers shall strictly abide by the Code of Conduct for Capital Market Operators and their Employees as set out in the Commission's Rules and Regulations.

14. Sanction

A registered Shariah Adviser who violates these Rules and Regulations shall be sanctioned in accordance with the provisions of the Commission's Rules and Regulations provided that the Commission may impose additional sanctions as it may deem appropriate.

MADE AT ABUJA, THIS 21ST DAY OF AUGUST 2026

SIGNED

Simnom Garba (Mrs.)	**Emomotimi Agama (PhD)**
Ag. Secretary to the Commission	**Director General**