



‘Ensuring Investor Protection’

SECURITIES AND EXCHANGE COMMISSION

DRAFT GUIDELINES FOR LEGAL PRACTITIONERS/LAWYERS PROVIDING PROFESSIONAL SERVICES IN THE CAPITAL MARKET

NUMBER: SEC/GUI/

1.0. Preamble

These Guidelines are issued by the Securities and Exchange Commission (hereinafter referred to as “the SEC”) pursuant to sections 3, 146 and 209 of the Securities Industry Act, 2016 (Act 929) as amended with respect to professional services provided by legal practitioners/lawyers to SEC licencees (hereinafter referred to as “client firms”) and public companies operating within the Capital Market.

2.0 General Statement

These guidelines shall apply to legal practitioners/lawyers of client firms and public companies operating within the Capital Market.

3.0 Registration with the SEC

A legal practitioner/lawyer shall not provide legal services to a client firm and public companies operating within the Capital Market unless the legal practitioner/lawyer is registered with the SEC.

4.0 Requirements for legal practitioners/lawyers

A legal practitioner/lawyer of client firms or public companies operating within the Capital Market shall -

- (1) Be a person holding a Qualifying Certificate and a licence to practise under the Legal Profession Act, 1960 (Act 32);

- (2) Be registered on or before 1st January each year, with the SEC using SEC Form D(IV);
- (3) Possess a valid professional indemnity insurance accepted by the SEC;
- (4) Submit a copy of the professional indemnity insurance contract/policy to the SEC at the time of registration; and
- (5) Where the legal practitioner/lawyer is a firm or a legal department, its head of chambers/managing solicitor/partners shall be registered with SEC on or before 1st January each year using SEC Form D(IV).

5.0 Scope of work

The legal practitioner/lawyer may perform the following functions, amongst others:

- (1) Review the statutory corporate documents of an issuer and other transactions to ensure that they have the necessary legal capacity and authority to enter a transaction;
- (2) Carry out due diligence to ensure that all information material to an issue or transactions are disclosed in the transaction documents;
- (3) Advise on the legal structure of the issue or transaction and on legal risks associated with it;
- (4) Negotiate, draft, and review all legal documentation required for an issue or transaction including but not limited to the prospectus, scheme particulars, trust deeds, vending agreements, powers of attorney/consents and underwriting agreements;
- (5) Advise parties on disclosure obligations and general observance of and compliance with sound corporate governance principles, rules and regulations as they relate to an issue or transaction;
- (6) Advise on compliance with the requirements of the Companies Act, 2019 (Act 992), the Securities Industry Act, 2016 (Act 929) as amended and other instruments issued pursuant to the Act, the listing requirements of a

Securities Exchange on which the securities shall be listed and other relevant industry-specific requirements;

- (7) Certify or obtain certification of compliance with all statutory and regulatory requirements by the issuer and other parties to a transaction;
- (8) Make all statutory filings and provide confirmation (legal opinion) as to the enforceability and effectiveness of transaction documents;
- (9) File necessary applications in Court in support of an issue or transaction where required; and
- (10) Any other roles ancillary to any of the above.
- (11) Any other legal functions provided by lawyers/legal practitioners within the Capital Market.

6.0 Independence and Professional conduct of a legal practitioner/lawyer

- (1) The legal practitioner/lawyer shall be independent of the client firm and or public company operating within the Capital Market unless otherwise determined by the SEC.
- (2) The legal practitioner/lawyer shall comply with the Legal Profession (Professional Conduct and Etiquette) Rules, 2020 (L.I. 2423) or any other statutory variation, review or amendment or modification thereof.

7.0 Suspension or Cancellation of registration

- (1) The SEC may suspend or cancel the registration of the legal practitioner/lawyer or firm where:
 - (i) a levy of execution in respect of that legal practitioner/lawyer has not been satisfied;
 - (ii) the legal practitioner/lawyer ceases to hold its licence or registration to practice;
 - (iii) the legal practitioner/lawyer is adjudged bankrupt in any jurisdiction;
 - (iv) the SEC has reason to believe that the legal practitioner/lawyer has not performed that person's functions efficiently, honestly or fairly;

- (v) The legal practitioner/lawyer is convicted of an offence involving fraud or dishonesty punishable by imprisonment for a term of not less than four months.
- (2) In the instances of 7(1)(i) to (iv), the SEC shall not cancel or suspend the registration of the affected legal practitioner/lawyer without giving the person an opportunity to be heard.
- (3) A cancellation or suspension of the registration of a legal practitioner/lawyer shall not avoid or affect any responsibilities, obligations and rights owed to a client under a previous assignment.

8.0 Sanctions for Non-Compliance

Where there is a breach of any provision stipulated in these guidelines by a legal practitioner/lawyer or firm:

- (1) The SEC may resort to any of the action(s) specified under section 209 of the Securities Industry Act 2016 (Act 929) as amended.
- (2) The SEC reserves the right to suspend, cancel the registration of the legal practitioner/lawyer from its register.

9.0 Registration fees

The legal practitioner/lawyer shall pay a registration fee as prescribed by the SEC.

10.0 Revocation, Variation and Revision

The SEC may revoke, vary, revise, or amend these guidelines.

11.0 Interpretation

Where any doubt arises about the meaning of any provision contained in these Guidelines, the same shall be referred to the SEC and the interpretation provided by the SEC shall be final.

12. Definition

Legal Practitioner/Lawyer may include a sole practitioner, firm and legal department
These Guidelines shall be effective 31st January 2026.