



Understanding the Investment and Securities Tribunal's Role in Capital Markets

The Chairman of the Investment and Securities Tribunal (IST) recently highlighted the significant impact of the IST in resolving capital market disputes in Nigeria. According to the Chairman's report, since its inception, the IST has successfully resolved disputes valued at approximately ₦1 trillion, including ₦17 billion in the past year. Despite these achievements, there remains widespread misunderstanding among the public about the IST's scope and authority.

Jurisdiction and Role of the IST

The IST is an independent judicial body established under the Investment and Securities Act 2007. It has

exclusive jurisdiction to adjudicate on a variety of disputes within the capital market, including:

- Conflicts between capital market operators and the Securities and Exchange Commission (SEC).
- Disagreements involving investors and the SEC.
- Issues arising from the management of collective investment schemes.



Clarifying the IST's Exclusive Jurisdiction

The Supreme Court's decision in the case of *Mufutau Ajayi v. SEC* clarified the exclusive jurisdiction of the IST over all capital market disputes, resolving any perceived overlap with the Federal High Court's jurisdiction. However, the IST does not entertain or resolve disputes solely between private parties unless these disputes involve regulatory issues where the SEC's Administrative Proceedings Committee (APC) has made a decision that is appealed to the IST. Such disputes often include:

- Misappropriation of client funds by stockbrokers.
- Non-remittance of dividends or transaction proceeds.
- Discrepancies in share transfers.
- Claims arising from misrepresentations in securities transactions.

Decision Timelines and Enforceability of IST Decisions

The IST must deliver its decisions within three months from the start of substantive hearings, ensuring swift resolution of disputes. Its decisions are enforceable as judgments of the Federal High

Court once registered and may be appealed to the Court of Appeal.

Benefits of the IST's Approach

• Expertise in Dispute Resolution:

The IST's blend of legal and financial experts uniquely positions it to handle the complexities of capital market disputes.

• Timely Resolution:

The IST's strict timelines for dispute resolution help minimize financial disruptions and provide clarity to all parties involved.

• Alternative Dispute Resolution:

By promoting less formal dispute resolution methods, the IST facilitates smoother negotiations and settlements between conflicting parties.

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As the landscape of capital market regulations continues to evolve, understanding how to navigate these legal frameworks is crucial. For assistance with IST proceedings or to learn more about how we can support your needs, please contact us at info@scp-law.com or visit our website at www.scp-law.com.