

Finance Regulatory Updates

SEPTEMBER 2026

This month, we examine recent regulatory and market updates issued by key regulators in the financial services sector and highlight their key implications for market participants.

REGULATORY UPDATES

SECURITIES AND EXCHANGE COMMISSION (SEC)

SEC Circular on Implementation of the IFRS Sustainability Disclosure Standards in Nigeria

On 23 September 2026, the SEC issued a circular directing all public companies and significant public interest capital operators¹ to commence preparations for the adoption of the IFRS (International Financial Reporting Standards) Sustainability Disclosure Standards, comprising IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

The circular builds on the Financial Reporting Council of Nigeria's Roadmap for the Adoption of IFRS Sustainability Disclosure Standards designed to facilitate the phased implementation of these standards across reporting entities in Nigeria. The Roadmap sets three windows:

- a. early adoption applies to entities adopting the standards on or before 31 December 2023;
- b. voluntary adoption applies to entities not yet subject to mandatory reporting from periods beginning on, or after 1 January 2024 and ending on, or before 31 December 2027; and
- c. mandatory adoption applies to all public entities including public companies and significant public interest capital market operators, for periods beginning on or after 1 January 2028. Small and medium-sized entities are expected to fall within the mandatory regime from 1 January 2030.

Flowing from the above, the SEC directed that all public companies and significant public capital market operators submit an implementation plan for adopting IFRS S1 and IFRS S2 together with any challenges anticipated in the implementation process on or before 15 October 2026.

¹Entities that facilitate clearing, settlement, trading, or data functions within the capital market, including, but not limited to, exchanges, central securities depositories, clearing houses, and trade repositories.

The implementation plan is expected to address board oversight and governance arrangement for sustainability reporting, a gap assessment against both IFRS S1 and IFRS S2, the implementation roadmap and timelines, data collection and reporting systems, internal control and assurance arrangements, capacity building and training, the expected year of first sustainability reporting, and key implementation challenges.

The SEC has indicated that it will actively monitor preparedness before the commencement of mandatory reporting in 2028.

MARKET UPDATES

A. The Federal Government Issues the Nigeria Tax Administration (Interest on Late Payment of Tax) Order 2026.

On 24 September 2026, the Federal Government issued the Nigeria Tax Administration (Interest on Late Payment of Tax) Order, 2026, pursuant to Section 65 of the Nigeria Tax Administration Act, 2025. The Order took effect from 1 October 2026, and replaced the 2017 notice on interest on unpaid taxes and other earlier notices on the subject.

Under the new framework, interest on tax payable in naira will be charged at the Central Bank of Nigeria (CBN) Monetary Policy Rate plus one percentage point, subject to a floor of the yield on 364-day Treasury Bills. This will reduce the applicable spread from the previous five percentage points but introduce a minimum rate designed to ensure delayed tax payments do not cost taxpayers less than the government's own cost of borrowing. For interest on tax payable in foreign currency, the Secured Overnight Financing Rate (SOFR) plus six percentage points will apply. If SOFR is discontinued, its official successor rate will apply.

The new framework further introduces monthly rate-setting. The applicable rate for each calendar month will be determined on the last business day of the preceding month. At the same time, the Nigeria Revenue Service will publish the rate on its website by the third business day of each month. Interest will accrue as simple interest on a daily basis from the date the tax becomes due until payment.

It is important to note that, the Order does not remove the statutory 10% late payment penalty under Section 65 of the Nigeria Tax Administration Act. Accordingly, taxpayers may remain exposed to both the applicable 10% default penalty and market-linked interest where tax is paid late. Tax authorities also retain the power to waive interest or penalties where taxpayers demonstrate good cause.

B. The CBN Publishes the Decisions of the 307th Monetary Policy Committee Meeting

On 22 September 2026, the CBN released the Monetary Policy Communique, following the 307th meeting of the Monetary Policy Committee (the "MPC"). The MPC assessed global and domestic economic developments, considering emerging risk, and evaluated their potential implications for monetary policy.

The key decisions of the MPC are:

- a. Monetary Policy Rate (MPR) reset at 23%.
- b. Standing Facilities Corridor recalibrated to +50/-300 basis points around the MPR.
- c. Cash Reserve Requirement (CRR) retained at 45.0% for Deposit Money Banks, Merchant Banks at 16.0%, and non-Treasury Single Accounts public sector deposits at 75.0%.

The MPC explained that the recalibration of the Standing Facilities Corridor was an operational adjustment intended to improve the effectiveness of monetary policy and support the transition towards an inflation-targeting framework. The Committee also noted with satisfaction the progress of the disinflation process, evidenced by three consecutive months of decline in headline inflation, despite the lingering geopolitical tensions in the Middle East and the associated increase in global energy prices. The MPC further welcomed renewed efforts to strengthen fiscal-monetary policy coordination following the execution of a Memorandum of Understanding on fiscal-monetary coordination between the Federal Government of Nigeria (represented by the Federal Ministry of Finance), and the CBN.

For additional information in respect of any of the updates provided above, please contact [**temitope.sowunmi@moroomafrica.com**](mailto:temitope.sowunmi@moroomafrica.com)

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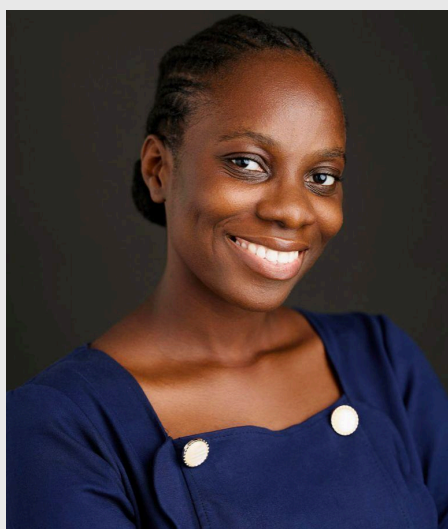
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