



NATIONAL PENSION COMMISSION

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3 December, 2024

To: MDs/CEOs of All Licensed Pension Fund Administrators

Dear Sir/Madam,

RE: INVESTMENTS IN COMMERCIAL PAPERS BY LICENCED PENSION FUND ADMINISTRATORS

The Commission refers to its circular on the above matter, in which it directed all Licensed Pension Fund Administrators (LPFAs) to immediately suspend further investment in commercial papers where capital market operators (non-banks) are engaged as Issuing and Paying Agents (IPAs) due to the absence of rules by the Securities and Exchange Commission (SEC).

The Commission has noted that the Securities and Exchange Commission (SEC) has developed draft rules and an amendment to rule 8 (Exemptions) to regulate the issuance of Commercial Papers by its regulated entities. Accordingly, the SEC is addressing the Commission's concern about the role of non-bank IPAs in Commercial Paper transactions by bringing them within regulatory boundaries.

Consequently, to facilitate capital raising and ensure continued market stability, the Commission has lifted its restriction on LPFAs investing in commercial papers where capital market operators act as IPAs. Nonetheless, LPFAs must ensure that appropriate legal and financial due diligence are undertaken on all Prospectus/Offer Documents of all commercial papers prior to investment as stipulated in Section 2.9 of the Regulation on Investment of Pension Fund Assets.

Thank you.

Yours faithfully,



Abdulqadir M. Dahiru

Head, Investment Supervision Department