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ACCELERATED REGULATORY INCUBATION PROGRAM (ARIP): ADVANCING INNOVATION IN NIGERIA'S CAPITAL MARKETS

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The Accelerated Regulatory Incubation Program (ARIP) is a framework introduced by the Nigerian Securities and Exchange Commission (SEC), designed primarily for Virtual Asset Service Providers (VASPs) and Digital Investment Service Providers (DISPs), the program enables eligible firms to operate under regulatory supervision while working towards full licensing.

The program follows a structured onboarding process that begins with an Initial Assessment Form (IAF), through which applicants undergo a preliminary eligibility review. Successful applicants are invited to submit a formal application supported by the required documentation. Upon satisfying the Commission's requirements, qualified firms receive an Approval-in-Principle (AIP), allowing them to operate within the defined scope of the program while remaining subject to ongoing regulatory oversight. During the incubation period, participants receive regulatory guidance, compliance support, and operational monitoring before transitioning to full registration under applicable SEC regulations.

The Accelerated Regulatory Incubation Program (ARIP) is designed to support the entry of innovative digital financial service providers into Nigeria's capital market while maintaining regulatory compliance. It provides a supervised environment that promotes innovation, strengthens firms' compliance frameworks, and enables the SEC to develop more effective regulations based on industry experience.

To qualify for ARIP, applicants must be incorporated in Nigeria, maintain a physical operational presence in the country, and have a Chief Executive Officer or Managing Director who is resident in Nigeria. Applicants should either be seeking SEC registration as a Virtual Asset Service Provider or Digital Investment Service Provider, or have a pending registration application with the Commission. In addition, they must demonstrate the capacity to conduct investment and securities business responsibly, supported by sound governance, operational readiness, and adequate compliance systems. Required documentation typically includes corporate registration documents, business and risk management plans, internal control frameworks, details of principal officers, investor protection measures, and any required approvals from other relevant regulators.

By providing a structured pathway from innovation to full regulatory compliance, ARIP functions to strengthen investor confidence in Nigeria's evolving digital asset ecosystem. The framework encourages innovation while ensuring that market participants operate in accordance with the SEC's regulatory objectives.