"INVESTMENT AND FIDUCIARY DUTY 1"

LEGAL TIP 92.

In a scenario where an investment made by Mr. Uwa in the sum of ₦500,000,000,000.00 **(Five Hundred Billion Naira)** only for an unregistered company (unknown to the investor) through a financial advisory but certified by The Ezena Legal, misrepresented the investment risks. Mr. Uwa, therefore, instituted an action against the parties at the High Court.

It should be noted that the main goal of any investor is to minimize risk and maximize returns, and the fiduciary relationship between Counsel and Clients is that of trust. Besides, the **Investment and Securities Act (ISA) 2007** provides a framework for protecting investors and promoting confidence in Nigeria's capital market. Section 38(1) of the ISA states in mandatory terms that no person, natural or artificial, shall carry on investments and securities business unless the person is registered under the ISA. and its rules and regulations. Also, Section 315 of the ISA defines a 'capital market operator' as any person, individual or corporate, duly registered by the Securities and Exchange Commission to perform specific functions in the capital market.
Thus, the relevant principles of law and regulations on investment ensure that investors have a total understanding of the investment terms and risks. See; **Sections 38, 54, 61, 84, & 100 of the Investment and Securities Act (ISA) 2007; Nigerian Stock Exchange (NSE) Rules and Regulations, Sections 46, & 56 of the Nigerian Contract Act (Cap C14, LFN 2004), Securities and Exchange Commission (SEC) Guidelines, and Misrepresentation & Negligence in Torts Law.**
See also, **SEC v. Big Treat Plc & ORS (2020) 5 NWLR (Pt. 1718) 502.**

In this case, the investment duties owed are suitable investment advice to ensure investments align with Mr. Uwa's risk tolerance, investment goals, and objectives; risk disclosure to clearly explain investment risks, benefits, and potential losses; diversification investments to minimize risk; and Due diligence on investment opportunities.

More so, the fiduciary duties owed are total loyalty and acting in the Client's best interests, to avoid conflict(s) of interest; Exercising reasonable care, skill, and diligence in managing investments; Full disclosure as to transparent and accurate information about investments; and confidentiality of client's personal and financial information. In **N.B.A. v. Fobur (2006) 13 NWLR (Pt. 996) 196 P. 216, paras. D**, **Abdullahi Ibrahim, S.A.N,** held;

> ***The relationship between a legal practitioner and his client is a fiduciary one and this implies that the legal practitioner must act with utmost honesty and fairness to his client. Any form of dishonesty or fraud perpetrated against the client by the legal practitioner will amount to misconduct.***

Investors play a crucial role in managing and achieving investment objectives as well as, are fiduciarily liable to their clients.