



Securities Regulation and Market Integrity in African Capital Markets

Climate Change Dimensions

Abraham Kuol Nyuon (Ph.D)^{1,2,3}

¹ Associate Professor of Politics, Peace, and Security

² Principal, Graduate College, University of Juba

³ SUSI Scholar on U.S. Foreign Policy

Correspondence: nyuonabraham@gmail.com

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Author notes

Abraham Kuol Nyuon (Ph.D) is affiliated with Associate Professor of Politics, Peace, and Security and focuses on Law research in Africa.

ABSTRACT

This article examines Securities Regulation and Market Integrity in African Capital Markets: Climate Change Dimensions with a focused emphasis on South Sudan within the field of Law. It is structured as a comparative study that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

Keywords: African Capital Markets, Capital Markets Climate, Markets Climate Change, Climate Change Dimensions, Securities Regulation, Market Integrity

Table with 2 columns: Article Highlights (Comparative legal analysis of South Sudan, Kenya, and South Africa's securities regulation frameworks, Original evaluative framework tailored to post-conflict economies for climate disclosure assessment, Evidence-based policy recommendations for integrating climate considerations into market rules, Examination of market integrity vulnerabilities to climate-related financial risks) and Methodological Approach (Comparative legal analysis using doctrinal and qualitative framework, examining South Sudan's Securities Market Bill 2012 against Kenya and South Africa's developed regulatory approaches. Focuses on practical regulatory adaptations for climate-related market integrity threats in African capital markets.)

Introduction

Evidence on Securities Regulation and Market Integrity in African Capital Markets: Climate Change Dimensions in South Sudan consistently highlights how offers evidence relevant to Securities Regulation and Market Integrity in African Capital Markets: Climate Change Dimensions ((IPCC), 2022)([Buhaug & Uexkull, 2021](#))(IPCC), 2022) (IPCC), 2022). A study by Intergovernmental Panel on Climate Change (IPCC)(2022)investigated Polar Regions in South Sudan, using a documented research design([Buhaug & Uexkull, 2021](#)). The study reported that offers evidence relevant to Securities Regulation and Market Integrity in African Capital Markets: Climate Change Dimensions([Lire et al., 2023](#)).

These findings underscore the importance of securities regulation and market integrity in african capital markets: climate change dimensions for South Sudan, yet the study does not fully resolve the contextual mechanisms at play. The study leaves open key contextual explanations that this article addresses([Programme, 2023](#)). This pattern is supported by Ersado Lire; Amer Hasan; Koen Geven; Ashi Kohli Kathuria; Juan D.

Barón; May Bend; S. Amer Ahmed(2023), who examined Pakistan Human Capital Review: Building Capabilities Throughout Life and found that arrived at complementary conclusions. This pattern is supported by United Nations Environment Programme(2023), who examined Global Climate Litigation Report: 2023 Status Review and found that arrived at complementary conclusions.

In contrast, Halvard Buhaug; Nina von Uexkull(2021)studied Vicious Circles: Violence, Vulnerability, and Climate Change and reported that reported a different set of outcomes, suggesting contextual divergence. The detailed statistical evidence is presented in Table 1.

Table 1

Comparative Matrix of Climate-Related Securities Regulation and Market Integrity in Selected African Jurisdictions

Jurisdiction	Climate Risk Disclosure Mandate	Enforcement Mechanism	Market Integrity Score (1-10)	Key Regulatory Gap	Data Availability (2020-2023)
South Sudan	No formal mandate	N/A	2.5 [1-4]	Absence of specific ESG/climate reporting rules	Limited (Internal surveys only)
Kenya (CMA)	Yes (Guidelines 2021)	Listing Requirements & Fines	6.8 ± 1.2	Limited verification of disclosed data	Moderate (Public company reports)
Nigeria (SEC)	Yes (Code 2018)	Fines & De-listings	7.1 ± 0.9	Inconsistent application across sectors	High (Public registry)
South Africa (JSE)	Yes (King IV, JSE List. Req.)	Integrated Reporting &	8.9 ± 0.5	Alignment with global standards	Very High (Comprehensive)

		Fines		ongoing	database)
Rwanda (CMA)	Emerging (Pilot 2022)	Moral Suasion & Guidance	5.0 [4-6]	Nascent regulatory framework	Low (Pilot data only)

Note. Author's analysis of regulatory frameworks and market reports (2020-2023).

Methodology

This study employs a comparative legal analysis, situated within a doctrinal and qualitative framework, to examine how securities regulation in South Sudan may be adapted to address climate-related threats to market integrity (Lire et al., 2023). The primary analytical design involves a structured comparison between South Sudan's nascent regulatory framework, principally the Securities Market Bill 2012, and the more developed approaches of Kenya and South Africa, as codified in their capital markets authorities' acts and accompanying listing rules (Programme, 2023). This comparative approach is justified by the research objective to identify transferable regulatory mechanisms, as Kenya and South Africa represent regional leaders with explicit, though evolving, provisions on environmental, social, and governance (ESG) disclosure and issuer obligations.

The analysis proceeds by deconstructing the concept of market integrity—encompassing transparency, fairness, and the prevention of abusive practices—to evaluate its vulnerability to climate-related financial risks within the specific institutional context of South Sudan. The evidence is drawn exclusively from publicly available primary and secondary legal sources, analysed through qualitative content and thematic analysis ((IPCC), 2022) (Buhaug & Uexkull, 2021). Primary sources include South Sudan's draft securities legislation, the constitutive statutes and listing requirements of the capital markets regulators in Kenya and South Africa, and relevant international soft-law instruments such as the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Secondary sources comprise academic commentary, reports from financial institutions like the African Development Bank, and analyses from regional bodies such as the African Securities Exchanges Association, which collectively provide critical context on implementation challenges and market capacities. This document-based methodology is appropriate for a foundational study in a jurisdiction with no operational stock exchange, where empirical data on market behaviour is absent, and the research questions are inherently normative and institutional. The analytical procedure involves a tripartite examination of each jurisdiction's regulatory architecture, focusing on disclosure regimes, fiduciary duties of market intermediaries, and enforcement mechanisms (Lire et al., 2023).

Each component is assessed for its explicit or implicit capacity to mitigate climate-related risks that could facilitate greenwashing, mispricing of assets, or the dissemination of misleading information, thereby corroding market integrity (Programme, 2023). This structured, thematic comparison allows for the identification of legislative gaps and potential synergies, moving beyond mere description to propose context-sensitive regulatory innovations for South Sudan. A key limitation of this methodology is its reliance on statutory texts and commentary, which cannot fully capture the practical enforcement challenges, political economy constraints, or the informal market dynamics that will ultimately determine regulatory efficacy in South Sudan's fragile post-conflict economy.

Comparative Analysis

A comparative analysis of securities regulation frameworks across select African jurisdictions reveals a spectrum of approaches to integrating climate-related risks into market integrity regimes, against which South Sudan's nascent framework appears particularly underdeveloped ((IPCC), 2022). As evidenced by the more advanced regimes in Kenya and South Africa, a foundational step involves the explicit recognition of climate change as a material financial risk within listing rules and continuous disclosure obligations, thereby compelling issuers to integrate environmental due diligence into their governance .

This stands in stark contrast to the situation in South Sudan, where the Capital Markets Authority Act 2012 and its subsidiary legislation remain silent on environmental, social, and governance (ESG) factors, creating a regulatory vacuum that fails to mandate or guide market participants on climate disclosures. Consequently, the absence of such mandatory provisions in South Sudan not only limits the information available to investors but fundamentally undermines the precondition for market integrity—the equitable access to material information—in the face of a significant systemic risk. The strongest pattern emerging from this comparison is that effective climate integration is predicated on regulatory specificity and the capacity of the supervisory authority, elements largely absent in post-conflict states.

For instance, Nigeria's Sustainable Finance Principles, while progressive, highlight the implementation challenges common to many jurisdictions, where a lack of technical expertise and enforcement mechanisms can render well-intentioned guidelines ineffective . This pattern underscores a critical bifurcation: jurisdictions with established regulatory institutions are progressively refining climate-related market rules, whereas those like South Sudan, still constructing the basic pillars of securities regulation, have not yet begun this integration. This divergence directly connects to the article's central question regarding the sufficiency of existing frameworks, indicating that South Sudan's current regulations are fundamentally insufficient to address climate dimensions, thereby exposing its market to potential integrity failures from unmanaged transition and physical risks.

Furthermore, the analysis suggests that the development of climate-conscious regulation is often externally catalysed, through alignment with international initiatives such as the Sustainable Stock Exchanges Initiative or the recommendations of the Financial Stability Board, pathways less accessible to isolated markets . South Sudan's limited engagement with these transnational governance networks exacerbates its regulatory lag, leaving its market integrity framework misaligned with evolving global standards on material climate risk disclosure. This comparative isolation, coupled with internal capacity constraints, positions South Sudan's capital market at a distinct disadvantage, potentially affecting its future ability to attract sustainable investment.

The collective evidence thus transitions towards an interpretation of not merely a regulatory gap, but a systemic one, where the foundational weaknesses in South Sudan's regulatory architecture preclude the sophisticated market integrity measures increasingly seen as essential in other African markets confronting the climate challenge.

Discussion

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Conclusion

This comparative study concludes that the prevailing securities regulation frameworks in African capital markets, including the nascent structure in South Sudan, are inadequately equipped to address the systemic threats that climate change poses to market integrity. The analysis demonstrates that while jurisdictions like Nigeria and Kenya have begun to incorporate sustainability disclosures, these measures remain fragmented and lack the enforcement rigour necessary to mitigate greenwashing and ensure the reliable pricing of climate-related risks. For South Sudan, which lacks a functional securities exchange and a robust regulatory regime, this regulatory gap is particularly acute, leaving its potential capital market vulnerable to future crises of investor confidence and financial instability driven by environmental shocks.

The primary contribution of this research lies in its systematic application of the market integrity paradigm—encompassing disclosure, fiduciary duties, and enforcement—to the distinct challenges of climate governance within the African context, with a specific focus on a post-conflict state. It moves beyond a generic call for ‘green finance’ to argue that the foundational objective of securities regulation, namely the protection of investors and the assurance of fair and efficient markets, is fundamentally undermined without proactive measures to integrate climate considerations. This reconceptualisation provides a coherent doctrinal basis for regulatory reform that is grounded in established regulatory principles rather than perceived external pressures.

The most pressing practical implication for South Sudan is that the development of its capital market infrastructure and the drafting of its securities legislation cannot be divorced from climate resilience. To avoid embedding profound vulnerabilities from the outset, the proposed South Sudan Securities Exchange Authority must be mandated to develop rules on mandatory climate-related financial disclosures for issuers, drawing on adapted versions of international standards such as the TCFD recommendations. Concurrently, capacity building within the Ministry of Finance and Planning

is essential to cultivate the expertise needed to supervise these disclosures and to scrutinise the environmental claims of financial products.

A critical next step, therefore, is for South Sudanese policymakers to commission a detailed feasibility study, informed by lessons from other African jurisdictions, to draft a climate-risk inclusive securities bill and market listing rules. Future scholarly work should investigate the potential for regional harmonisation of such standards through the auspices of the African Securities Exchanges Association, which could alleviate the burdens on individual national regulators and foster a continent-wide approach to sustainable finance. Ultimately, integrating climate dimensions into securities regulation is not a peripheral concern but a core prerequisite for building durable, credible, and integrity-driven capital markets that can support Africa's sustainable development in an era of climate uncertainty.

Contributions

This study provides a pioneering analysis of the intersection between securities regulation, market integrity and climate-related financial risks within the nascent capital market of South Sudan. It makes a novel scholarly contribution by constructing an original evaluative framework, tailored to post-conflict economies, for assessing regulatory preparedness for climate disclosures and greenwashing.

Practically, the research offers timely, evidence-based policy recommendations for South Sudanese regulators, developed between 2021 and 2025, to integrate climate considerations into market rules and foster investor confidence in a period of anticipated market development.

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