



NOTIFICATION OF AMENDMENTS TO THE RULEBOOK OF THE EXCHANGE
(DEALING MEMBERS' RULES - PART XVII)
AND INVITATION FOR COMMENTS

I. Introduction

The Exchange is proposing amendments to the Rulebook of The Exchange (Dealing Members' Rules), by the addition of sanctions for violation of Rule 1.11: Dealing Member to Sponsor Application for Quotations, Rulebook of The Exchange, 2015 (Dealing Members' Rules).

II. Summary of the Proposed Amendments

Proposed Amendments to Rule 1.11: Dealing Member to Sponsor Application for Quotations, Rulebook of The Exchange, 2015 (Dealing Members' Rules):

Rule 1.11 of the Rulebook of The Exchange, 2015 (Dealing Members' Rules) requires a Dealing Member to sponsor an application for quotation of securities on the floors of The Nigerian Stock Exchange. In general, this Rule requires Dealing Members to ascertain that the application is in compliance with the listings requirements based on a review of the documentation it submits on the behalf of the applicant. Currently, the Rule does not provide any sanctions where a Broker does not thoroughly review the documentation before submitting same to The Exchange. Poor quality or incomplete applications inevitably result in delays in application review and approval process.

Recently, a focus group comprising of Dealing Members, representatives of the Central Securities Clearing System Plc. (CSCS) and staff of The Exchange, was asked to carry out extensive research on the current process around Initial Public Offerings (IPOs) and Rights trading on The Exchange with a view to enhancing the current process. One of the recommendations of the focus group is the inclusion of sanctions in Rule 1.11. The group reported that the sanctions, if included in the rule will enhance the listings application process. It is on that basis that we propose the instant rule amendment.

In light of the aforementioned, the objective of the proposed rule amendment is to introduce penalties for the violation of the Rule which aims to serve as a deterrent to Dealing Members; ensure the requirements of the rules of The Exchange are met; and align with global best practices.



III. Invitation for Comments

The Exchange is pleased to invite you to participate in its rule making process. Your participation is required by way of reviewing the proposed amendments and providing your comments thereon. [A set of the proposed amendments may be viewed through the link provided here.](#)

The Exchange views your participation as important for the following reasons:

- To create public awareness and solicit the public's feedback on the proposed Rules; and
- To improve the quality of the proposed Rules and thereby have a robust, well written set of Rules.

We are involving as many stakeholders as possible in this commentary process in order to achieve the aforementioned goals. Please be assured that your comments will be considered in arriving at the final text of the Rules.

IV. Response and Timeline

We will be grateful to receive your comments later not than the close of business on Friday, 2 November 2018. Your comments should be set forth in a WORD document attached to an electronic mail to Mr. Oluwatoyin Adenugba, Head, Rules and Interpretation at The Exchange at oadenugba@nse.com.ng.

V. Approvals

Please note that the draft Rules are subject to the approval of the National Council of The Exchange, and the Securities and Exchange Commission.

Tinuade T. Awe,
Executive Director, Regulation
3 October 2018