



CIRCULAR

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Prohibition of Guaranteed Investment Schemes

It has come to our attention that some Dealing Members are offering guaranteed investments to their clients. Dealing Members are reminded that guaranteed investment is strictly prohibited by The Exchange in line with **Rule 1.15: Prohibition of Business Relationship Based on Guarantee**, Rulebook of The Exchange, 2015 (Dealing Members' Rules) which provides that:

Dealing Members shall not:

- a) enter into any business relationship with a client premised on a guaranteed return to the client;*
or
- b) guarantee, directly or indirectly, a customer against loss in any account or in any securities transaction executed by the Dealing Member for such customer, or previously agreed with the customer on a profit margin.*

Dealing Members are strongly warned to desist from engaging in guaranteed investment schemes. Please be advised that The Exchange will not hesitate to bring disciplinary action against erring Dealing Members.

Please be guided accordingly.

Olufemi Shobanjo,
Head, Broker Dealer Regulation