

## **NOTIFICATION OF REVISED DRAFT RULES FOR FILING OF ACCOUNTS AND TREATMENT OF DEFAULT FILING & INVITATION FOR COMMENTS**

### **I. Introduction**

Between 20 February and 6 March 2015, The Nigerian Stock Exchange exposed the “Rules for Filing of Accounts and Treatment of Default Filing” (“Initial Draft Rules”) for comments by stakeholders. Subsequently, following the approval of its National Council, The Exchange submitted the Initial Draft Rules to the Securities Exchange Commission for approval.

Recently, upon a further examination of the Initial Draft Rules, the National Council of The Exchange was of the view that the disclosure requirements as well as the sanctions provided in the Initial Draft Rules were not stringent enough to deter violations of The Exchange’s Listings Requirements with regard to financial disclosure. The National Council also noted that in order to ensure greater compliance, additional measures apart from higher financial penalties should be introduced into the provisions relating to financial disclosures. These will promote adequate investor protection, prompt and sufficient information sharing, accountability, and transparency within the market.

The National Council thereafter resolved to withdraw the Initial Draft Rules from consideration by the Securities and Exchange Commission and submit a more robust revised version at a later date. Therefore, a revised version (“Revised Draft Rules”) is now being exposed herewith for comments.

### **II. Summary of the Draft Rules**

The Revised Draft Rules set out provisions on the requirement for financial disclosure by Issuers and the filing of periodic financial accounts with The Exchange. The revised draft Rules also set out the procedure for the treatment of default filing, steps to be followed by an Issuer that applies for extension of time to file its audited accounts; as well as steps to be taken where an Issuer defaults in filing its accounts.

Furthermore, a more comprehensive disclosure regime, cure periods and extensions in that regard, tougher financial sanctions, as well as naming and shaming devices are now included in the revised draft Rules. These measures are intended to instil greater diligence, prompt, detailed and more responsible disclosure with regard to financial reporting; whilst simultaneously achieving greater deterrence to Issuers against repeated late filing of their financial statements.

### **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 Revised Draft Rules and providing your comments thereon. A set of the Revised Draft Rules 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 draft Rules;
- To improve the draft Rules where necessary and thereby have a robust, well written set of Rules.

We are involving as many stakeholders as possible in this rule making 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 would be grateful to receive your comments not later than close of business on Monday, 18 January 2016. Your comments should be sent by email to Mr. Oluwatoyin Adenugba of the Rules and Interpretation Department of The Exchange at [oadenugba@nse.com.ng](mailto:oadenugba@nse.com.ng). Please note that the exposure period is longer than the customary two (2) week period in order to ensure that stakeholders who may be unavailable due to end of year business closures are not denied opportunities to comment.

### **V. Approvals**

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



Tinuade T. Awe,  
**General Counsel | Head of Regulation**  
**22 December 2015**