



**RULEBOOK OF THE NIGERIAN STOCK EXCHANGE, 2015
(DEALING MEMBERS' RULES, AMENDMENTS PART VIII)¹**

Legend: additions underlined, deletions struck-through

Rule 6.10: Qualifications of a Chief Executive Officer

A person shall not be qualified for the appointment as a Chief Executive of a Dealing Member unless he:

- (a) is an Authorized Clerk of The Nigerian Stock Exchange, with core stockbroking experience of not less than five (5) years, and
- ~~(b) has a minimum of 5 years cognate experience in the finance industry.~~
- (b) has a minimum of ten (10) years relevant work experience in the financial services industry, with at least three (3) years in a senior management position, or as may be specified from time to time by The Exchange.

Rule 8.2: Eligibility and Admission Procedures for Authorized Clerks

- (e) Subject to the provisions of the next paragraph and of any applicable enactment, rules or regulations in force, any Authorized Clerk that is in good standing with The Exchange shall be qualified to:
 - (1) operate The Exchange's Trading Workstations and to have remote access to the trading engine,
 - (2) be admitted to the Trading Floor,
 - (3) transact with any other Authorized Clerk,
 - (4) be introduced or assigned to deal on behalf of any Dealing Member, or
- (f) No Authorized Clerk shall be qualified to exercise any of the above mentioned rights where:
 - (1) The Exchange has suspended him or her from practicing as an Authorized Clerk or his or her licence to practice as such has been revoked; or
 - (2) the Chartered Institute of Stockbrokers (CIS) has suspended him or her or has

¹ **Rule Making History**

1. The draft Rules were considered by the Rules and Adjudication Committee of Council (RAC) on 17 February 2015, and approved for exposure to stakeholders for comments.
2. The draft Rules were exposed for stakeholders' comments from 25 February to 12 March 2015;
3. The RAC considered the draft Rules and stakeholders' comments thereon at its Retreat of 21 May 2015, and approved the draft Rules for submission to the National Council of The Exchange (Council);
4. The Council approved the draft Rules at its meeting of 18 June 2015 for submission to the Securities and Exchange Commission (SEC);
5. The Council approved Rules were submitted to the SEC for approval on 24 June 2015;
6. The Rules were approved by the SEC on 29 December 2015.



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restricted his or her right to practice as a chartered member of that profession; or he or she has been expelled from the (CIS) by the striking off of his or her name from the relevant part of the CIS register. Provided that:

- (A) any sanction imposed by The Exchange or any subsequent lifting of a sanction by The Exchange shall be carried out pursuant to advice received from the CIS; and
- (B) if The Exchange does not receive advice from the CIS to lift any sanction imposed on an Authorized Clerk upon the expiration of the imposed sanction(s), and the Authorized Clerk does not provide acceptable evidence that the sanction has been lifted, his/her licence shall be revoked by The Exchange.

Rule 11.9: Unauthorized Sale or Transfer of Securities

- (a) No Dealing Member shall sell or transfer any securities without the authorization of the owner.
- (b) A Dealing Member that has sold or transferred any securities without the authorization of the owner shall not be permitted to keep any benefits accruing from such transaction, including but not limited to bonuses, rights, commissions, cash dividends, capital appreciation, and any profit accruing therefrom whatsoever.
- (c) A Dealing Member that sells or transfers securities without the authorization of the owner shall:
 - (1) be required to buy back the securities along with any accrued benefits within a period of fourteen (14) business days from the day the Dealing Member is required to buy back the securities by The Exchange; and
 - (2) where the ~~sale~~ transaction is Five Million Naira (~~₦~~5,000,000) and below in value, be liable to pay a fine of One Million Naira (~~₦~~1,000,000) or three times the value of the sale or transfer, whichever is higher, and Five Thousand Naira (~~₦~~5,000) for every day from the day on which the Dealing Member is required to buy back the securities by The Exchange until the day the Dealing Member completes buying back the shares for the owner; or
 - (3) where the ~~sale~~ transaction is higher than Five Million Naira (~~₦~~5,000,000) in value or the Dealing Member has engaged in such unauthorized sale, or transfer of securities on a previous occasion, it shall have its dealing license withdrawn by the Council of The Exchange and shall in addition be liable to pay a fine of Five Million Naira (~~₦~~5,000,000) or three times the value of the sale or transfer, whichever is higher and Five Thousand Naira (~~₦~~5,000) for every day from the day of the sanction until the day the Dealing Member completes buying back the shares for the owner;



- (4) where the Dealing Member is unable to buy back the sold, or transferred shares within the stipulated fourteen (14) business days period as a result of stock unavailability or illiquidity, the Dealing Member shall immediately notify The Exchange of this fact in writing and The Exchange shall determine the best monetary value in the circumstances to be paid to the owner.
- (d) No Dealing Member shall have its license withdrawn pursuant to sub-rule (c)(3) above, unless the Disciplinary Committee of Council has made a finding that the Dealing Member engaged in the unauthorized sale or transfer of securities within the ambit of sub-rule (c)(3) and has made a recommendation to Council that the licence should be so withdrawn, provided always that during the pendency of any investigative or disciplinary proceedings, the Dealing Member shall be suspended from trading.

Rule 19.18: Notification of Disciplinary Action

- (c) **Council to Notify the Public of Suspensions and Expulsions:** the Council shall and by such means that it may deem fit, notify, or cause to be notified to the public that any Dealing Member has been expelled or has otherwise ceased to be a Dealing Member or has been suspended and may give the name of such Dealing Member in such notification, or that an Authorized Clerk has been suspended or his/her licence has been withdrawn and may give the name of such Authorized Clerk in such notification.
- (d) **Publication of Disciplinary Actions:** Council shall have power to publish in the local newspapers or circulars to Dealing Members and other Members of The Exchange, the name of any Member expelled or suspended by The Exchange, or any authorized Clerk whose registration has been revoked by The Exchange, and also to publish such expulsion, suspension or revocation in any other way it may deem fit.