

AMENDMENTS TO THE RULEBOOK OF THE EXCHANGE, 2015

(DEALING MEMBERS' RULES, AMENDMENTS - PART XIIB)¹

Legend: additions underlined, deletions struck through

1. Rule 7.4: Submission of Financial and Non-Financial Reports to The Exchange

- (a) Every Dealing Member shall submit to The Exchange its audited ~~annual~~ financial statements, within ninety (90) calendar days of the end of the fiscal year, and its quarterly ~~financial statements~~ returns within thirty (30) calendar days of the end of the quarter; and any other periodic report within the period stipulated by The Exchange.
- (b) All financial statements shall be prepared in accordance with the requirements of the International Financial Reporting Standards (IFRS) applicable to the period covered in such financial statement(s).
- (c) The Exchange shall communicate the need for submission of any other periodic ~~financial~~ report to Dealing Members via its circular to the Market.
- (d) If a Dealing Member fails to comply with this provision, it shall be liable to the following penalties which are subject to review by Council and any change thereto shall be made public by way of a Circular:
 - (1) Failure of a Dealing Member to submit quarterly returns on the date due for submission shall attract a penalty of Five Thousand Naira (~~₦~~5,000) per day of default, and the Dealing Member shall be suspended from trading with effect from the first trading day after the due date;
 - (2) Failure of a Dealing Member to submit audited financial statements on the date due for submission shall attract a penalty of Five Thousand Naira (~~₦~~5,000) per day of default for a maximum of four (4) weeks;

¹ **Rule Making History**

1. The draft Rules were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 4 July 2016, and approved for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders' comments from 12 July to 9 August 2016;
3. The RAC considered the draft Rules, and stakeholders' comments thereon at its Meeting of 29 November 2016, 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 26 January 2017 for submission to the Securities and Exchange Commission (SEC);
5. The Council approved Rules were submitted to the SEC for approval on 1 February 2017;
6. To bring the Rules in line with the Disciplinary Procedure for Dealing Members of The Exchange, the draft Rules were revised, and re-presented to the Council, and the Council approved the revised draft Rules at its Meeting of 25 May 2017 for submission to the Securities and Exchange Commission, and authorised the withdrawal of the former version;
7. The Council approved revised Rules were submitted to the SEC for approval on 16 June 2017;
8. The SEC approved the Rules on 9 November 2018.

- (3) Where a Dealing Member fails to submit its audited ~~annual~~ financial statements after four (4) weeks of default, the Dealing Member firm shall be suspended from trading forthwith;
 - (4) Failure of a Dealing Member to submit any other periodic reports on the due date for submission shall attract a penalty of Five Thousand Naira (₦5,000) per day of default for a maximum of four (4) weeks;
 - (5) Where a Dealing Member fails to submit the periodic report after four (4) weeks of default, the Dealing Member firm shall be suspended from trading forthwith;
 - (6) Where a Dealing Member is suspended from trading under sub-paragraph (1), ~~or (3) and (5)~~, such suspension shall be lifted upon submission of the quarterly returns, ~~or~~ audited financial statements or **other** periodic reports;
- 2. Rule 7.5: Extension of time for Submission of Audited Financial Statements, and Quarterly Returns**
- (a) Where appropriate, a Dealing Member ~~must~~ may apply for an extension of time for **the** submission of its quarterly returns, or audited ~~annual~~ financial statements. **Such application for extension shall be made no later than** two (2) weeks before same is due and **such Dealing Member** shall be expected to give reasons for requesting the extension;
 - (b) The decision to grant a Dealing Member's request for an extension of time under sub-article (a) shall be entirely at the discretion of The Exchange and such extension shall in no event be longer than a period of four (4) weeks from the due date for submission for quarterly returns, and eight (8) weeks for audited financial statements;
 - (c) Where a Dealing Member fails to submit its quarterly returns or audited ~~annual~~ financial statements at the expiration of the extended period granted, the Dealing Member shall be suspended from trading forthwith;
 - (d) Where a Dealing Member is suspended from trading pursuant to Rule 7.4 (d), such suspension shall be lifted upon submission of the quarterly returns, or audited ~~annual~~ financial statements;
 - (e) The penalties stated herein are subject to review without notice by Council and any change thereto shall be made public by way of a Circular.