

RULEBOOK OF THE NIGERIAN STOCK EXCHANGE

AMENDMENTS TO DEALING MEMBERS' RULES (PART XIIIIB)¹

AMENDMENT - 1

Legend: additions underlined, deletions ~~struck through~~

Rule 6.15: Notification of Business Address and Closure of Office

Dealing Members shall notify The Exchange ~~the Secretary~~ in writing of the address of any head office, or branch offices in Nigeria at which they intend to carry on stockbroking business and shall also give a minimum of one (1) month notice in writing to The Exchange ~~the Secretary~~ within fourteen (14) days of prior to closing or relocating such an office or offices for business. A Dealing Member shall make a publication in two (2) at least one (1) national daily newspapers and on its website to notify its clients of its intention to close or relocate any of its offices, in addition to communicating with each of its clients via other appropriate mediums of communication such as phone calls, text messages, letters and electronic mail.

The head office or Any branch office of a Dealing Member shall be continually under the personal supervision of a Director of a Member company or an Accredited Representative who shall be a Chartered Stockbroker registered by the Commission, and whose name(s) shall be notified to The Exchange.

¹ **Rule Making History**

1. The draft Rules were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 29 November 2016 and approved for exposure to stakeholders for comments;
2. The draft Rules were exposed for stakeholders' comments from 14 December 2016 to 16 January 2017;
3. The RAC considered the draft Rules, and stakeholders' comments thereon at its Meeting of 20 March 2017 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 25 May 2017 for submission to the Securities and Exchange Commission (SEC);
5. The Council approved Rules were submitted to the SEC for approval on 16 June 2017;
6. The SEC approved the Rules on 17 March 2020.

AMENDMENT - 2

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Rule 5.1: Acquisition of a Dealing Member License

Where a company duly incorporated by the CAC wishes to acquire one hundred per-cent (100%) holding in a Dealing Member Firm, the following shall be required:

- (a) The target Dealing Member Firm shall notify The Exchange of its intention to sell/transfer its license to another organization and seek the approval of The Exchange.*
- (b) The acquiring company must meet all the requirements set forth in these rules to qualify it for a dealing membership.*
- (c) A sum representing six per-cent (6%) of the consideration for sale/transfer must be paid by bank draft to The Nigerian Stock Exchange and shall be an added condition for obtaining approval.*
- (d) In addition to the above, the following documents shall be forwarded to The Exchange by the acquiring company:
 - (1) A copy of the duly executed Transfer/Sales Agreement;*
 - (2) Board resolution approving the acquisition of the Dealing Member;*
 - (3) Evidence of payment of transfer fee to The Exchange.**
- (e) An Approval – In – Principle will be granted to successful applicants.*
- (f) The acquiring company must request for a pre-certification inspection ~~after~~ within three six (36) months of being issued an AIP and must meet all the requirements set forth above for commencement of operations.*