



**RULEBOOK OF THE NIGERIAN STOCK EXCHANGE**  
**(DEALING MEMBERS' RULES)**

**AMENDMENTS - PART XVA<sup>1</sup>**

**Legend:** Additions: underlined; Deletions: ~~struck through~~

**Rule 1.15: Prohibition of Business Relationship Based on Guarantee**

(a) Dealing Members shall not:

- (1) enter into any business relationship with a client premised on a guaranteed return to the client, and shall state clearly in communications to their clients that guaranteed returns on investments are prohibited; or
- (2) 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.

(b) The Exchange may exercise all or any of the following disciplinary sanctions against any Dealing Member that violates this Rule:

- (1) Suspension of the Dealing Member from trading on the floors of The Exchange for a period not less than ten (10) business days;
- (2) where a Dealing Member offers a guaranteed investment product to its clients with respect to investment in securities, the sanction shall be a fine not less than ₦5,000,000 (Five Million Naira), and a further penalty not less than ₦20,000 (Twenty Thousand Naira)

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<sup>1</sup> **Rule Making History**

1. The proposed Amendments were presented to the Rules and Adjudication Committee of Council (RAC) at the RAC Meeting of 10 November 2017, and approved for exposure to stakeholders for comments;
2. The proposed Amendments were exposed for stakeholders' comments from 17 November to 18 December 2017;
3. The RAC considered the proposed Amendments, and stakeholders' comments thereon at its Meeting of 28 February 2018, and approved the draft Rules for submission to the National Council of The Exchange (Council);
4. The Council approved the proposed Amendments at its Meeting of 28 March 2018 for submission to the Securities and Exchange Commission (SEC);
5. The SEC approved the Rules on 5 December 2018.



- for every day from when the firm is sanctioned by The Exchange until the Dealing Member completes the payment of the fine;
- (3) suspension of the Authorized Clerk for a period to be determined under the Disciplinary process of The Exchange, and/or revocation of the license of the Authorized Clerk involved;
- (4) where the Compliance Officer of the Dealing Member has knowledge of a violation of this rule but fails to report to The Exchange, such a Compliance Officer shall be blacklisted;
- (5) expulsion of the Dealing Member from Membership of The Exchange and revocation of its Dealing Member license.